

Explaining the Country Patterns of Foreign Lobbying in
the United States: Issues, Capabilities, and Norms

by

Byoung-Joo Kim

B.A. with Honor; Economics, International Relations (Russian Area
Studies), and Political Science
University of Wisconsin-Madison, 1990

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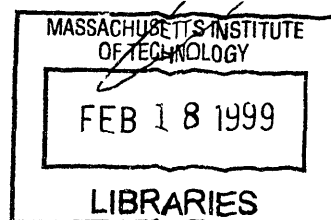
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ABSTRACT

This study proposes and tests three models of foreign lobbying in the United States. The “Reaction Model” assumes that the foreign lobbying results largely from countries’ desire to act when issues related to them catch US public attention. The “Resource Model” assumes that the countries that can afford it do more foreign lobbying in order to cultivate friendly atmosphere in Washington. The “Norms Model” assumes that the foreign lobbying is a result of countries doing in Washington what they are used to doing at home.

This research shows that the “Reaction Model” best explains and predicts the varying country patterns in foreign lobbying in the US, while the “Resource Model” and the “Norms Model” also show importance in determining how much foreign lobbying countries do.

The research has produced country data sets as dependent variables, based on 2,034 records of foreign representation carried out on behalf of 53 countries between 1988 and 1991. The data have shown significant variations among different countries.

In explaining the variations, the study has chosen three categories of independent variables. For the first group, the “issues” variables, several different measurements are used for measuring political and economic issues raised in the US with regard to each country. The “capabilities” variables are

indicators of national wealth and measurements of countries' knowledge of—and familiarity with—the US system. They reflect economic and knowledge resources that allow necessary actions to be implemented. The “norms” variables reflect the degree of pluralism in each country or the degree of similarity between the US and foreign country's business practices. They have been chosen based on the expectation that the norms would limit a country's set of options in lobbying.

Multivariate regression has yielded various findings. Most importantly, the frequency of bilateral “issues” raised in the US has the most influence in determining how much foreign lobbying a country does. In addition, the countries that are more familiar with the US system (“capabilities”) tend to focus more on advocacy lobbying to the Congress than other countries do. And, the countries where business cultures are similar to the US (“norms”) are more active in the overall trade lobbies and in the advocacy lobbying to the Congress.

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TABLE OF CONTENTS

I. OVERVIEW.....	6
II. SIGNIFICANCE	11
III. MODELS OF FOREIGN LOBBYING.....	19
1) REACTION MODEL	19
2) RESOURCES MODEL.....	23
3) NORMS MODEL.....	25
IV. THE SCOPE OF THE STUDY: LIMITATIONS AND POTENTIALS.....	30
1. UNDISCLOSED FOREIGN LOBBYING ACTIVITIES.....	30
<i>A. Illegal Lobbying Activities.....</i>	<i>31</i>
<i>B. U.S. Domestic Political Groups and Their Involvement in Foreign Lobbying</i>	<i>33</i>
<i>C. Foreign Countries' Efforts to Organize Support in the U.S.....</i>	<i>37</i>
2. WOULD UNDISCLOSED LOBBYING ACTIVITIES AFFECT DISCLOSED FOREIGN REPRESENTATION?	40
V. PRELIMINARY FINDINGS.....	42
VI. DATA COLLECTION & ANALYSIS.....	49
1. DATA COMPILATION	49
2. VARIABLE MEASUREMENTS	54
<i>A. Dependent Variables: country characteristics of foreign lobbying in the US.....</i>	<i>54</i>
<i>B. Independent Variables.....</i>	<i>55</i>
3. CORRELATION COEFFICIENT MEASUREMENTS: MULTIVARIATE REGRESSION	63
VII. FINDINGS FROM THE REGRESSION	66
1. INDEPENDENT VARIABLES: SUMMARY OF FINDINGS	66
<i>A. Issue Variables</i>	<i>66</i>
<i>B. Capability Variables.....</i>	<i>69</i>
<i>C. Norm Variables.....</i>	<i>71</i>
2. DEPENDENT VARIABLES: SUMMARY AND DISCUSSION OF FINDINGS.....	72
<i>A. Pattern Vs. Size Variables</i>	<i>72</i>
<i>B. Differences between Trade and Political Lobbies.....</i>	<i>74</i>
<i>C. Size Measurement Variables: Monthly Vs. Dollar Measurements.....</i>	<i>75</i>
3. OTHER RELATED FINDINGS	76
VIII. FOREIGN LOBBYING IN THE U.S: KEY ISSUES, MAJOR PLAYERS AND OVERALL IMPLICATIONS FOR THE U.S.	80
1. ETHNIC COMMUNITIES IN THE US AND THEIR INFLUENCE ON DISCLOSED FOREIGN LOBBYING	80
2. COUNTRIES MOST ACTIVE IN FOREIGN LOBBYING: THE RESEARCH FINDINGS ON THEIR PATTERNS AND CHARACTERISTICS	82
<i>A. Canada.....</i>	<i>83</i>

<i>B. China</i>	84
<i>C. France</i>	85
<i>D. Germany</i>	85
<i>E. Great Britain</i>	86
<i>F. Israel</i>	86
<i>G. Japan</i>	87
<i>H. Korea</i>	88
<i>I. Mexico</i>	89
<i>J. South Africa</i>	90
<i>K. Taiwan</i>	90
<i>L. Other Noted Players in Political Lobbying</i>	91
3. FOREIGN LOBBYING AND FOREIGN INFLUENCE IN AMERICAN POLITICS	93
<i>A. Limits of Foreign Lobbying in the United States</i>	93
<i>B. The 1997 Senate Governmental Affairs Committee's Investigation on the Asian Money Scandal</i>	99
<i>C. Strategies for Foreign Lobbying in the United States</i>	104
<i>D. Successes and Failures of Foreign Lobbying in the United States: Cases</i>	107
IX. SUMMARY	130
APPENDIX I: DETAILED DISCUSSION ON MULTIVARIATE REGRESSION OF THE CROSS-SECTIONAL DATA	132
1. THE DESIGN OF THE MULTIVARIATE REGRESSION MODEL	132
2. DETAILED RESULTS OF THE REGRESSIONS.....	137
APPENDIX II. OTHER REGRESSIONS AND CORRELATION MEASUREMENTS...	159
1. US SUBSIDIARIES' POLITICAL CONTRIBUTIONS AND THE EFFECT ON SIZE OF TRADE LOBBYING	159
2. NUMBER OF 301 CASES AND CHANGES IN SIZE OF TRADE LOBBYING.....	164
3. BILATERAL TRADE BALANCE AND TRADE ISSUES.....	174
4. TRADE BALANCE AND TRADE ACTIONS	176
5. DOMESTIC MILITARY SPENDING AND POLITICAL LOBBYING IN THE US.....	178
APPENDIX III: DEPENDENT VARIABLE MEASUREMENTS	185
1. PATTERN VARIABLES	185
2. SIZE VARIABLES.....	186

I. OVERVIEW

This research seeks to explain why foreign countries do lobbying in the United States in the ways they do. To do so, the research has produced quantified sets of country variations in disclosed foreign lobbying inside the U.S., and measured how much of the country variations can be explained by three groups of variables—issues (reasons to act), capabilities (resources allowing the necessary actions to be implemented) and norms (choices of actions that the actors feel comfortable with).

The object of this inquiry, country patterns of foreign lobbying, is a relatively unexplored area, which should be included in the study of international behavior of the states, within the field of International Relations. The methodology of this proposed research is quantitative, as it deals mostly with quantifiable variables.

Foreign representation—through which most foreign lobbying is carried out—is a part of the system that runs Washington.¹ There is little exception to the fact that all foreign countries hire lobbyists or agents who will represent them.² In fact, the large spending makes foreign lobbying an

¹ According to a recent estimate, there are about 1,000 embassies, foreign offices and interest groups located in the Washington D.C. area. They are reportedly spending \$8.2 billion every year, accounting for about 4.4% of the \$186 billion economy of the greater Washington area. See Peter Behr, “Foreign Spending Gives Area Boost,” *Washington Post* (5/5/98), D3.

² The terms “foreign lobbyists” and “foreign agents” are interchangeably used in this study as it is in practice. Both of the terms refer mostly to US nationals who are involved in the business of representing their clients in monitoring and/or influencing—on behalf of their clients—policy making processes of the US Congress and the Executive agencies, as well

interesting phenomenon. As the later parts of this study repeatedly show, foreign lobbying in the US is highly restricted and tightly monitored, unlike US domestic lobbying. Buying influence with money or votes is nearly impossible. Unlike domestic interest groups, foreigners can neither make campaign contributions nor directly mobilize votes in the US. Still foreigners spend large sums of money every year in Washington. Why do they do so? The answer may vary, depending on how one defines the nature of lobbying—foreign or domestic—and its purpose. The literature on domestic lobbying has been based on a classic cornerstone work done by E. E. Schattschneider during the 1930s.³ The work established the widely shared view, popularly maintained even to this day, that lobbying is the neatly-operated channel through which various pressure groups methodically inject their competing interests into policy making process and influence the policy outcomes. In the 1960s, however, another cornerstone work by Bauer, De Sola Pool and Dexter challenged this view, arguing that domestic lobbying—even with money and votes—does not really achieve what public believes it does.⁴ The three scholars persuasively demonstrated

as legal proceedings and sometimes in business transactions. The term “foreign clients” refers to non-US firms, governments and government agencies that hire the lobbyists (or agents) for the purpose of (foreign) representation (or lobbying).

³ E. E. Schattschneider, *Politics, Pressure and the Tariff* (Englewood Cliffs, N.J.: Prentice-Hall, 1935)

⁴ “It...came as a surprise to discover that the lobbies were on the whole poorly financed, ill-managed, out of contact with Congress, and at best only marginally effective in supporting tendencies and measures which already had behind them considerable Congressional impetus from other sources.... When we look at a typical lobby, we find that its opportunities to maneuver are sharply limited, its staff mediocre and its major problems not the influencing of Congressional votes but the finding of clients and contributors to

that lobbying is often ineffective and unimportant in influencing policy decisions. That finding raises an important question for foreign lobbying. If lobbying does not work the way people think it does, why is it that foreigners—with all the limitations—spend money for it? This study addresses this puzzle by examining the factors that determine foreign lobby spending of different countries.

The study starts from the recognition that the pattern and the size of the hired representation and lobbying vary widely from country to country. Some countries spend lavishly on hiring large numbers of lobbyists just for making basic contacts and gathering simple information, which they may be able to do themselves. Others hire only small numbers of lobbyists to advance a well-focused agenda to the US government.⁵ The explanation for these varying patterns and sizes of foreign representation and lobbying is not readily available. The richest among the countries do not always spend the largest sums of money. The countries that have the most contentious

enable it to survive at all [The lobbying groups'] effect in bottonholing, cajoling, and persuading congressmen was far less than their effect in organizing and channeling communications Thus, although lobbying by any given pressure group was...limited in effectiveness, the presence of pressure of [the groups] astride the communication process was important indeed." See Raymond A. Bauer, Ithiel De Sola Pool and Lewis Anthony Dexter, *American Business and Public Policy: The Politics of Foreign Trade*, 2nd ed. (New York: Aldine Publishing, 1981), pp.324-325. The first edition was published in 1963.

⁵ In terms of the kinds of activities, the former group is engaged in the so-called "information lobbying," while the latter is involved in "advocacy lobbying." "Information lobby(ing)" refers to monitoring activity of the lobbyists, while "advocacy lobby(ing)" refers to the activities to advance specific agenda (and to influence the policy process). For more details of these definitions, see Lester W. Milbrath, *The Washington Lobbyists*, (Chicago: Rand McNally, 1963)

issues do not always seem to most actively advance their agenda. This seeming unpredictability calls for a systemic analysis of the phenomenon.

This study has tackled the task seeking first to specify the country differences and then to measure the relative weights of three categories of potential determinants of the country differences. In explaining the behavior of social actors—including the states—many social scientists have used explanatory variables that fall into three categories. The first is what I call “*issues*.” These are external conditions to which ‘rational’ actors have to react. The second category may be called “*capabilities*.” They are internal resources that limit the actors’ options in responding to the issues. The third category is “*norms*.” These are historically and culturally established ranges of options that the actors are familiar and feel comfortable with. While selections of these categories of variables have been common, the majority of social science research has not dealt with the different categories of variables simultaneously. My research considers them altogether. Accepting that issues, capabilities and norms work together; I examine which variable group matters more than others in different aspects of country variations in foreign lobbying inside the United States.

This research has proceeded in the following steps: First, country variations of foreign lobbying were first quantified and then characterized based on available data. Secondly, the quantified variations were related to three sets of potential causal variables representing issues, capabilities and norms. Regression analyses then measured relative weight for each of the three sets of potential causal variables and identify key causal variables for each dependent variable.

The details for this research method are presented in Section VI. Before that, Section II explains the significance of the topic and the methodological approach of this research. Section III discusses models of foreign lobbying to be tested by the study. Section IV deals with the scope of the study, its implications as well as the potential. Section V presents the result of a preliminary research that was originally used to check the feasibility and the value of the main research. After Section VI presents methodological details, Section VII discusses the actual regression results of the main research. Section VIII deals with several major countries' patterns of foreign lobbying in the US, and the various issue of foreign influence in American politics, as well as several important cases of seeming success and failure.

II. SIGNIFICANCE

This study addresses questions that matter for both the US public and academia. The US public needs better understanding of what foreign countries do in Washington. Without it, misunderstanding and misperception have flourished.⁶ And, as a result, foreign lobbying has often been the target of unsubstantiated claims and sweeping generalization.⁷ In

⁶ The so-called Asian Money Scandal of 1996-97 was an important case in point. See fn. 12. In addition, a big confused debate occurred in 1996, regarding whether the acting United States Trade Representative Charlene Barshefsky could or should be approved by the Congress to become the US Trade Representative. [“USTR Nominee Face Uphill Climb: 95 Law May Bar Appointment,” *Journal of Commerce* (4/16/96, 3A); “Barshefsky on Hold at USTR,” *Journal of Commerce* (7/15/96, 2A); John Maggs, “White House Mulls over Barshefsky Pick,” *Journal of Commerce* (8/1/96, 1A); Peter Behr, “Trade Nominee Faces Senate Grilling on Lobbying Stance,” *Washington Post* (5/20/1993, C14).]

A short provision was inserted in the 1995 lobbying act, in order to constrain those with the experience of working for foreign interests as a lobbyist or a lawyer in being considered for the USTR position. The confusion arose because it was unclear how this revision should be interpreted and applied to the Barshefsky’s case. [Douglas Harbrecht and Amy Borrus, “A Lobbying Law That’s Ethically Backward,” *BusinessWeek* (5/13/96, p. 43).]

This case of inserting a vague clause illustrates the lack of understanding, on all sides including the ones who initiated and enacted the law, about what foreign lobbying really does and to what extent it hurts or help the US national interests.

⁷ Politically it is easy to do so, because the ultimate target is foreigners who have no votes politicians have to worry about. Note that in 1997 Senator Fred Thompson opened his Senate Governmental Affairs investigation on campaign finance with a plan to reveal “Chinese conspiracy” to infiltrate the U.S. establishment and policy circles. Later, it turned out that the announcement was just to “add thunder” and no such conspiracy was discovered unring the investigation. See fn. 12. With regard to the Barshefsky nomination [See fn. 6.], consider the rhetoric in Greg Mastel, “Foreign Influence in Government,” *Journal of Commerce* (7/30/96, 7A).

popular rhetoric it has been argued that Washington lobbyists are sacrificing American interests to foreigners, by lobbying the US government and therefore altering policies that should otherwise serve US national interests.⁸ In terms of methodology, it remains virtually impossible to produce a direct

While foreign lobby is easily subjected to harsh rhetoric and tough standards for transparency, domestic lobby is not. Consider Dan Morgan and Eric Pianin, "House Kills Tougher Lobbying Provision: Language Would Have Required 2-Year Wait for Key Ex-Hill Employees," *Washington Post* (8/2/96, A10) and "Capitol Offenses: Who Kill the Lobby Reform?" *BusinessWeek* (8/19/96, p.4).

⁸ The books that made such argument include; Pat Choate, *Agents of Influence: How Japan Manipulates America's Political and Economic System* (New York: Touchstone, 1990); Clyde Prestowitz, *Trading Places* (New York, NY: Basic Books, 1988); Martin Tolchin and Susan Tolchin, *Buying into America: How Foreign Money is Changing the Face of Our Nation* (New York: Times Books, 1988); Douglas Frantz and Catherine Collins, *Selling Out: How We Are Letting Japan Buy Our Land, Our Industries, Our Financial Institutions and Our Future* (Chicago: Contemporary Books, 1989).

Continuously fueled by this rhetoric, "revolving door" has remained an important political issue. [See Hobart Rowen, "Foreign Lobbies, Fairness and the 'Revolving Door'," *Washington Post* (10/25/1992, H1); Gary Lee, "Trade, National Security and the Revolving Door: Lawmakers Seek Creation of Professional Corps with Restrictions on Post-Government Work," *Washington Post* (4/13/1992, A19); Ruth Marcus, "Lobby Law Puts New Spin on Revolving Door," *Washington Post* (3/26/96, A1).]

During the 1996 presidential campaign, the revolving door issue gained more attention, as Ross Perot nominated Pat Choate as his vice-presidential running mate. [See Bob Davis, "Perot Picks Choate, Fellow Nafta Foe and Longtime Friend, as Running Mate," *Wall Street Journal* (9/11/96, A4); Clay Chandler, "Choate Brings Like Mind to Ticket: Populist Shares Perot's Dislike of Global Trade, Washington Lobbyists," *Washington Post* (9/11/96, A10); Helene Cooper, "Dole's Claim He Differs from Clinton on Trade is Likely to be Tested by Perot's Running Mate," *Wall Street Journal* (9/12/96, A16).]

With the sustained public interests in Washington lobby in general and foreign lobby in particular, the Congress took a step in 1995 to seek further transparency in lobbying activities [See "Congress Passes Bill to Disclose Lobbyists' Role," *New York Times* (11-30-95 A1); "House Gives Final Approval To Lobbyist Disclosure Bill," *Washington Post* (11-30-95 p.1).]

measurement of influence from either domestic or foreign lobbying.⁹ But, the question of measuring influence aside, we need first to understand what is actually being done in foreign lobbying, how it is done and why it is done.

In 1995, after years of public demand, the US Congress unanimously passed legislation that limits both foreign as well as domestic lobbyists and seeks more transparency in their activities.¹⁰ Two things were noteworthy in the aftermath of the legislation. First, the bill received wide public support. Secondly, most lobbyists—whose activities, according to the popular perception, were supposed to be limited by the new legislation—welcomed the measures seeking more transparency. In fact, lobbyists have complained for years about the “suspicion” and “caricature” image of their activity in public’s mind.¹¹ The support from both the public and lobbyists themselves illuminated the fact that there has been a strong demand in the US to know what the lobbyists do and why and how they do it in general. This study addresses those questions with the focus on foreign lobbying.

⁹ Authors of a comprehensive study on US domestic interest groups maintain, “no scholars has attempted to give any kind of quantitative assessment of the net impact of interest-group activity on public policy.” See Robert S. Erikson and Kent L. Tedin, *American Public Opinion: Its Origins, Content, and Impact* (Boston: Allyn & Bacon, 1995), p. 324.

¹⁰ “Congress Passes Bill to Disclose Lobbyists’ Role,” *New York Times* (11-30-95), A1.

¹¹ “House Gives Final Approval To Lobbyist Disclosure Bill,” *Washington Post* (11-30-95), p.1.

In 1996, the so-called Asian Money Scandal broke out.¹² Accusations and speculations filled the news headlines into 1997. Unsubstantiated

¹² 1) For the Indonesian scandal, see Glenn Simpson and Jill Abramson, "Legal Loopholes Let Overseas Contributors Fill Democrats' Cooffers," *Wall Street Journal* (10/8/96, A1); Jill Abramson, Helene Cooper and Glenn Simpson, "Commerce Department: Where Money and Power Meet," *Wall Street Journal* (10/11/96, A14); Jeff Gerth and Stephen Labaton, "Wealthy Indonesian Businessman Has Strong Ties to Clinton," *New York Times* (10/11/96, A20); Charles Babcock and Ruth Marcus, "Indonesian Gift Points Up What Some Call a Loophole," *Washington Post* (10/16/96, A6); Glenn Simpson, "Policy on Indonesia, East Timor Becomes U.S. Campaign Issue," *Wall Street Journal* (10/16/96, A10); David Sanger, "Clinton Officials Seeking to Defend Indonesian Policy," *New York Times* (10/17/96, A1); Leslie Wayne, "Tough Task in Campaigns: Policing Foreign Donations," *New York Times* (10/17/96, A1); Jeff Gerth, "Clinton and Arkansas Had Close Ties to Powerful Indonesian Family for Years," *New York Times* (10/17/96, B9); Ruth Marcus and R.H. Melton, "DNC Donor Controversy Widens As Republicans Step Up Criticism," *Washington Post* (10/18/96, A1); Michael Isikoff and Mark Hosenball, "Soft Money, Easy Access: A Money Trail Linking the Democrats with Wealthy Indonesians Raise Questions about Cash and Power," *Newsweek* (10/21/96, p.40); Stephen Labaton, "Democrats Curb Raising Fund of a Top Official: Indonesian Ties at Issue," *New York Times* (10/19/96, A1); Jill Abramson and Glenn Simpson, "Lippo Issue Remains at Center of Presidential Race," *Wall Street Journal* (10/21/96, A24); "Editorial: Dole, Clinton and Asian Money" *New York Times* (10/22/96, A24); Jill Abramson and Michael Moss, "Fund-Raisers Tap Their Ethnic Roots for Political Parties," *Wall Street Journal* (10/22/96, A1).

2) For Chinese money scandal see; Bob Woodward and Brian Duffy, "Chinese Embassy Role in Contributions Probed," *Washington Post* (2/13/97, p.1); Patti Waldmeir, "Chinese Role Alleged in US Election Funding," *Financial Times* (2/14/97, p.4); Tim Weiner, "House Intelligence Committee to Investigate Possible Foreign Influence in '96 Elections," *New York Times* (3/6/97, A22); Brian Duffy and Bob Woodward, "FBI Warned 6 on Hill About China Money," *Washington Post* (3/9/97, p.1); Gerald Baker, "US Confirms China Funds Briefing," *Financial Times* (3/1/97, p.5); Marcus Brauchli and Ian Johnson, "Money Flap Undercuts Chinese Lobbying," *Wall Street Journal* (3/11/97, A19); Andrew Murr and Melinda Liu, "On the Trail of a 'China Connection'," *Newsweek* (3/10/97, p.30); Melinda Liu, etc. "Guess Who Came to Dinner," *Newsweek* (3/24/97, p.36); Richard Lacayo, "What Did China Want?" *Time Magazine* (3/24/97, p.40-50); Bob Woodward, "Top Chinese Linked to Plan to Buy Favor," *Washington Post* (4/25/97, p.1); Daniel Klaidman and Mark Hosenball, "Connecting the Dots: The Feds Explore a China-

claims were easy to raise. But, after the debate that lasted more than a year, the American public remains still unsure about what how much of the scandal is true and how much of it imagined. For sure, the scandal has intensified the myth of foreign influence in the US politics. A careful study on foreign lobbying will contribute to the public's better understanding of this very important political issue.¹³

In academia, foreign lobbying remains a largely unexplored area, a near void with only a few case studies.¹⁴ There is no major over-arching

California Money Trail," *Newsweek* (4/28/97, p.40); Daniel Klaidman, "Cracking a Chinese Code," *Newsweek* (6/9/97, p.46); Edward Walsh and Guy Gugliotta, "Chinese Plan to Buy U.S. Influence Alleged," *Washington Post* (7/9/97, A1); Nancy Gibbs, "Not Ready for Prime Time," *Time Magazine* (7/21/97, p.34-5); Phil Kunts, "Thompson Seems to Back Off Assertions of Chinese Plot to Buy 1996 Elections," *Wall Street Journal* (8/1/97, A16); Paula Dwyer, etc., "Man in the Middle of Donorgate: Was Ted Sioeng Funneling Money or Just Doing Business?" *BusinessWeek* (8/11/97, p.84-5).

¹³ There have been suggestions to add a discussion on **theories of democracy** in this research. The suggestion originated from the idea that in this globalized era democracy is not the domain exclusively granted to the constituents inside a nation state and that we have to accept extra-national actors as a force affecting national polity. While such discussion deserves certain merit, a meaningful discourse on such argument is possible only when we accept the assumption that the foreign lobbying which this study deals with does indeed influence the US political system to a significant degree. Unfortunately, the focus of this study is not about such influence and therefore the result of this study has little to offer to support such assumption. (See Chapter VIII Section 4 where the issue of foreign influence is discussed.) For this reasons I decided not to deal with theories of democracy in this research.

¹⁴ UMI Dissertation Abstract record yields only two dissertations on the subject of "foreign lobby(ing)," "foreign representation" or any other related words: Ann Preston, "Commodification of Information and the Foreign Agents Registration Act: The 1983 U.S. Efforts to Neutralize Canadian Films," (Ph.D., diss., Ohio University, 1992); Chung Hee Lee, "Foreign Lobbying in American Politics," (Ph.D., diss., University of Missouri, 1988).

theoretical work on the subject. More studies are needed to lay foundations for studying foreign lobbying and to incorporate it into the study of International Relations. Foreign lobbying relates to the theory of international behavior of states, the core of International Relations theories. Until recently, International Relations theorists have accepted “the level of analysis problem,” believing that the systemic and state level explanations of international relations need to be separately dealt with.¹⁵ This study explores the possibility of simultaneously comparing different levels of explanations for a state behavior. By employing multivariate analysis methods, this study demonstrates that variables of various dimensions may be measured and compared together in explaining the state behavior.

The central method of inquiry for this research is regression analysis. It measures and compares three groups of explanatory variables, “issues,”

Both of them are historical surveys. There are, however, several short cases studies provided in relation with theories of public relations and trade policy. See Jarol B. Manheim, *Strategic Public Diplomacy and American Foreign Policy: the Evolution of Influence* (New York: Oxford University Press, 1994); Chung-In Moon, "Complex Interdependence and Transnational Lobbying: South Korea in the United States," *International Studies Quarterly* 32, (1988): 67-89.

¹⁵ J. David Singer, “The Level of Analysis Problem in International Relations,” in Klaus Knorr and Sydney Verba, eds. *The International System: Theoretical Essays* (Princeton NJ: Princeton University Press, 1961).

There have been a few recent efforts where international and domestic explanations for state behavior have been weighed in comparison. However, direct challenges to overcome this “level of analysis problem” have been generally limited. [See for instance, see Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca, NY: Cornell University Press, 1991); Robert D. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42, 3 (summer, 1988); and Peter B. Evans, Harold K. Jacobson and Robert D. Putnam, eds., *Double-Edged Diplomacy* (Berkeley, CA: University of California Press, 1993)]

“capabilities,” and “norms” in context of various countries’ foreign lobbying inside the US.

“Issues” are the externally given situations that demand rational actors’ action. In foreign lobbying, such issues include a bilateral political conflict with the United State or a Section 301 designation under the US trade law that would adversely affect the foreign country in question.

“Capabilities” are the resources whose presence can allow a country to be more active in foreign lobbying efforts in the United States. Such factors include a country’s per high capita income that can allow more active spending in Washington lobbying or long years of diplomatic ties with the US that can allow better connections in—and better understanding of—Washington.

“Norms” limit the choices for a course of action. When the norm factors are in effect, social actors—including the states—react to a new unfamiliar situation in certain ways because they are the ways the history and socio-political institutions have made them act in other familiar and repeated situations. In foreign lobbying, a relatively centralized political system with few politically active interest groups at home may act as such a determinant for the country’s pattern of foreign lobbying in Washington. Representatives from such a country may focus their lobby on the US Executive Branch rather than the Congress. They may be repeatedly told that the Congress can make or break policies, but it may be hard for those representatives to internalize such foreign knowledge and put it into actual practice.

Many social researchers—especially those engaged in case studies—have sought to highlight the importance of just one of many categories of

causal variables. In doing so, researchers often ignored the fact that behavior of social actors—including the states—is determined, in most cases, by combinations of multiple categories of variables. This research attempts to overcome this shortcoming and measure how much of these three chosen categories of variables matter, in combination with one another, in determining country patterns of foreign lobbying in the United States.

Before moving onto the specific methodology of such measuring, the next section discusses the scope of this research, what kinds of limitations the research may face and what potentials it presents.

III. MODELS OF FOREIGN LOBBYING

Why do countries spend the money in foreign lobbying as they do? The following presents models that offer different explanations.

1) REACTION MODEL

Foreign countries may spend money in foreign lobbying in the US, because they want to react (or respond) to situations in Washington. For instance, when the mood of the U.S. Congress becomes highly critical of a certain country, the country may feel that the Congress needs to be better informed of the facts, and/or it may feel that the Congress needs to be led to view the issue from a different angle (a case of reaction). Of course, alternatively, it may feel that there is little it can do about it (a case of non-reaction). Foreign countries also have to react to similarly high attention of the US executive branch and the US media.

What is important to note is that, while an external factor exists as a reason to act (situation), a representative may not have an idea of exactly what to do (response). In other words, with or without their own strategy of action, decision-makers of foreign countries may be pressured to just “do something.” We need to recognize these two subdivisions of distinct possibilities under the reaction model—one, fully rational response based on clear strategy of action and the other, a more passive-reactive do-something approach.

In both cases, a country faces two choices in responding to the situation. It could try to do it by itself through its representatives sent from home. Or, it can hire professional representation. There are cases that can be dealt with

through the former method, direct interaction. But, the latter is often more preferred over the former for several reasons. First and foremost, there are only a limited number of cases, where foreigners acting alone, without professional assistance or representation, may be effective. Many believe even the quality of a short press release can be significantly enhanced, if there is a help from public relations professionals. In other words, foreigners—whether based in their home countries or posted in Washington—face series of obstacles in identifying and carrying out necessary actions. Language and cultural barriers are the most important among them. In addition, successful operation in Washington requires a wide range of specific knowledge and broad contacts; starting from the understanding of the workings of the systems in Congress, in the executive branch and on the grassroots level, to the protocols and subtleties required for dealing with Congressional members, their staffs and media. But, it is rare for foreigners to be posted in Washington for extended period time long enough to develop those knowledge and contacts. People who have personal and professional bases at home countries want postings in Washington as a valuable stepping stone. But, they want it to be limited for only a few years, because their ultimate objective lies in going back home and getting promoted there. For this reason, while many countries see values in having Washington experts among their professionals, it remains difficult to fully train them in reality. These difficulties often lead the foreign countries to rely upon the hired representation for identifying and carrying out necessary actions. That is why a need to react often result in spending to hire professional representation.

The word, “reaction” in this reaction model needs explanation. Ideally, foreign countries’ efforts to shape the issues in the US would work best, if they are carried out *ex-ante*, before the issues become fully publicized. But, such case is rare, for a variety of reasons. First, prediction and anticipation in issue management are difficult even at home. Foreign countries therefore have great difficulty in preparing themselves for future issues raised in the United States. Secondly, even if a country largely anticipates an issue to arise in the US, until it is certain (usually meaning, until it happens), it is difficult to commit its resources. Thirdly, even when the issue is sure to arise and even if resources are available, the organizations (i.e. foreign governments and corporations) are slow to act—until the issue surfaces—because of other organizational priorities and inertia. For these reasons, it would be safe to assume that the issue salience (measured *ex-post*) and spending in foreign representation would be correlated.

It is important to carefully consider, in this reaction model, whether the majority of issues raised would indeed result in expenditure for representation. The model assumes that they do. Most bilateral disputes—both political and economic—would fall into this category. As the data in this research show, Japan has spent a great amount of money to address trade and other economic disputes with the United States. The Soviet Union before its demise had spent a significant amount of money to publicly address political problems with the United States. Domestic political issues, when raised in the US, have resulted in considerable amounts of spending for representation in the US. Human rights situations in various countries were good examples. When South Africa during the apartheid years attracted much attention in the US, the ruling party of the white minority

and the African National Congress representing the black majority were both engaged in issue management in the US. When the US public opinion was critical of the British policy towards Northern Ireland, the British government dealt with it through such method among other means. Even, when domestic election of a foreign country attracts a lot of attention in the US, major contending candidates would want balanced—if not positive—coverage in the US media and better image among the US policy makers. In such case, they hire representation in the US. Of course, not all issues raised in the US require or cause response from a foreign country. The nature of some issues may be such that there is little a foreign country can do about it. On other issues for which responses are desired, foreign countries may be incapable to respond. However, the reaction model is based upon the expectation that a large number of issues do require and do cause responses in the form of spending in hired representation.

Thus, the reaction model predicts that there will be a significant correlation between the frequency of bilateral issues being publicized and the amount of efforts put out in the form of foreign representation (measured by the sizes of expenses and time committed). This study tests the prediction by measuring the power of issue salience (“issues”) variables through multivariate regressions. In case this model is more important than others, it is expected that a large number of multivariate regressions—measuring the significance of the issues variables, while controlling other two groups of variables explained below—would produce high levels of significance.

2) RESOURCES MODEL

This model is based on an assumption that foreign countries would be more active in hiring and utilizing foreign representation, if and when they have more economic resources and more knowledge of the US political system. In the aforementioned reaction model, foreign countries are assumed to act when a relevant issue emerges. In this resource model, foreign countries—that are rich and/or well informed of the US—are assumed to put their emphasis on long-term commitment and continuous attention to cultivation of Washington atmosphere through maintaining the hired agents of representation.

The rationale and the need for the sustained attention and commitment are clear. Public image of a country can not be established or changed overnight. It takes a serious long-term commitment. Similarly, mechanisms of issue management in Washington entail long target lists of policy makers, professionals and related organization. For instance, an action on a trade-related issue on the Capitol Hill involves several Senate and House committees and subcommittees including Senate Finance Committee, its Subcommittee for International Trade, Foreign Relations Committee on both chambers and many more. That means contact management involves a large number of congressional members, their staffs and committee staffs. Furthermore, on-going working relationship with journalists who cover the Capitol Hill is also very important. If one aims at a truly effective issue management in Washington, relationship with all the relevant people needs to be—not just worked on, occasionally on an ad hoc basis, but—built for a long time and maintained consistently.

When consistent efforts are maintained, it will be much easier to prevent potential issues from becoming publicized. By default, *post-hoc* issue management can never be as effective as preventive one. The objective of *post-hoc* issue management is “minimization.” That accepts a certain amount of damage already done, while the objective of preventive measure is seeking zero damage. The easiest way to seek the preventive strategy is through consistent engagement. Otherwise a country has two choices that are inferior to staying engaged. One is to seek a preventive strategy through staying alert and getting engaged when a potential issue is detected, the other to give up a preventive approach and to seek a *post-hoc* option through focusing on issue management after an issue becomes publicized. There is no question that the latter is far less effective than any preventive strategy, while the former is risky and difficult. Clearly, therefore, the countries that can afford the resources would prefer the option of continuous engagement.

Despite the necessities, not all countries will stay engaged in cultivating the basis for friendliness in Washington. Not all countries will act to prevent potentially contentious issues from becoming contentious. Not all countries are fully aware of these necessities and capable of committing itself in the long run. It is assumed for this resource model that the knowledge of the US system varies among different countries and those countries that are better informed of the US political system are more likely to stay engaged. Since resources are limited, countries of relatively higher levels of awareness will be more willing to assign higher priority to consistent foreign representation and commit its resources to it. This study proposes the measurements of the

knowledge of the US system and seeks to measure the correlation between the measurement and the spending in the foreign representation.

It is also assumed for this resource model that the countries with more economic resources are more likely than others to stay engaged in foreign representation. This is based on expectation, if other variables are held equal, countries with more economic resources will find it easier to allocate resources to foreign representation as a choice for expense among competing priorities. Furthermore, rich countries may have additional reason to stay engaged. They would naturally have more commercial and political interactions with the United States, since rich countries are more likely to trade more with the US and to be part of international consultation mechanisms such as G-7 and North Atlantic dialogue. More commercial interaction and more political engagement increases probability of bilateral issues to arise.

This research tests these expectations and assumptions through utilizing various measurements of economic capabilities (“capabilities variables”) and will seek to measure the correlation between those measurements and the expenditure in foreign representation. If this model is more important than others, it is expected that a large number of multivariate regressions—measuring the significance of the capabilities variables, while controlling variables representing the other two models—would produce high levels of significance.

3) NORMS MODEL

In this model, it is assumed that different country behavior in foreign presentation in Washington is most likely to be driven by what they do and

how they operate at home rather than what they need to do and how they need to do it in Washington.

Achieving an optimum operation overseas—including the activities related foreign representation in Washington—often requires total assimilation with—adaptation to—the local norms and practices. But, in reality such total conversion is extremely difficult, if not nearly impossible. Therefore, the decision makers of different foreign countries often analyze the situation from their own frames of reference and perspectives developed in their own home countries, set directions based on their norms and values built at home, and carry out the missions through the steps that they feel comfortable executing. In other words, native norms and values limit the choices of both ends and means.

In terms of more specific examples in foreign lobbying or representation, those countries where pluralism is actively practiced will not only be naturally familiar with how the system works in Washington but also will be far better prepared to get involved in the Washington system than other countries where pluralism is a foreign concept. That means more pluralistic countries would be more active in foreign lobbying and representation in Washington. There are many examples supporting such case. Countries from Western Europe are known for their activism with the US Congress and the media. Those countries are active in trying to prevent issues from becoming contentious and minimize the issues that have already become publicized. The Washington system works through complicated web of formal and informal channels of communication between the government, interest groups and media. People with rich experience with a pluralist system at home have great advantage in getting used to the Washington

system and participating actively in it. When one detects an issue on the rise, he/she from such pluralist system would have a first hand instinct for deciding what needs to be tackled first. Having an initial frame of reference prepared grants a significant advantage in starting an action. They can rely on their experience at home in deciding what to do. When one has a clear map of how he/she sorted through and maneuvered a pluralist system back home, he/she can devise and implement the necessary action much more quickly and effectively. Even when the systems of Washington and home differ significantly, what one learns of Washington gets processed and practiced much easily and readily. What they learn would naturally make sense, when they hear it. Therefore, they can quickly internalize the knowledge and act on it. Naturally, being more active would mean more expenditure in professional representation to undertake a large number of operations.

On the other hand, a relatively centralized political system with few politically active interest groups at home may act as an opposite driving force for the country's pattern of foreign lobbying in Washington. People from a country with centralized political system may focus their lobby on the US Executive Branch rather than the Congress. They may be repeatedly told that the Congress can make or break policies, but it may be hard for those representatives to internalize such foreign knowledge and put it quickly into actual practice. No matter how often they are told that the Congress is important, some of the decision makers will often have difficulty understanding what it truly means. Even when the top decision makers understand the notion and fully accept the premise, there will be many people at the working level who still do not understand—or at least do

not feel comfortable with—the notion and hold back or undermine the full implementation of a right policy. And, even when the people sent to Washington understands what needs to be done to tackle the pluralist system of Washington, they would have a great difficulty making the decision makers at home agree with them. For countries with centralized political system, it is more likely that decision makers at home need to review most options for action and make final choices, precisely because of their hierarchic decision making structure. In such cases, required actions to steer through the pluralist system overseas often do not make sense for the final decision makers at home. For those people, what they do there at home often dictates what they ask their colleagues in Washington to do. Thus, the influence of norms would be significant.

In short, the norms model predicts that the practices at home would dictate the pattern of activities in Washington. The politically centralized countries would concentrate on contacting the executive branch, while relatively more pluralist countries would expend efforts and resources to deal with the US Congress and the media more than other countries do. This study seeks to test this prediction by finding measurements of pluralism and interest group politics at home and correlate them with the measurements of foreign representation activities in Washington. In case this model is more important than others, it is expected that a larger number of multivariate regressions—measuring the significance of the norms variables, while controlling variables of the other two models—would produce high levels of significance.

The discussion so far presents three competing models for explaining the country behaviors in foreign representation in Washington, the issues-driven Reaction Model, the capabilities-driven Resource Model, and the norms-driven Norms Model. The three models are not assumed to be entirely mutually exclusive. This study seeks to determine which model makes more sense than others. This examination will be carried out based on the multivariate regression method.

Many social researchers—especially those engaged in case studies—have sought to highlight the importance of one of many categories of causal variables. In doing so, researchers often overlooked the fact that behavior of social actors—including the states—is determined, in most cases, by combinations of multiple variables. This research attempts to measure how much of the three chosen categories of variables matter, in combination with one another, in determining country patterns of foreign lobbying in the United States.

IV. THE SCOPE OF THE STUDY: LIMITATIONS AND POTENTIALS

Relying upon disclosed information, this study examines how foreign countries carry out lobbying activities in the United States and why they do the way they do it. A potential problem lies in the possibility that not all foreign lobbies may be disclosed. However, this problem may be manageable. This optimism depends on two conditions:

- a) How much of foreign lobbying is not captured by a study on disclosed foreign lobbying.
- b) Whether, and to what extent, the undisclosed foreign lobby affects the pattern of disclosed foreign lobbying.

The following examines these conditions respectively.

1. UNDISCLOSED FOREIGN LOBBYING ACTIVITIES

The record of disclosed foreign lobbying does not include; 1) illegal lobbying activities (i.e. making financial contribution prohibited by law), 2) foreign lobbying carried out by US domestic political groups under the auspices of foreign countries, or 3) foreign lobbying independently carried out by US domestic political groups without foreign countries' efforts to organize and/or motivate such lobbying.¹⁶

¹⁶ Many foreign countries are engaged in **cultural dimensions of public relations** efforts including running cultural and/or information centers, providing support for language education and cultural promotion programs, etc. (The United States government is also engaged in similar efforts overseas through the U.S. Information Agency. It is sometimes called "public diplomacy.") The source for this study, the record of disclosed foreign lobbying includes information on those of these activities that were run either by US "agents." (See fn. 2 for definition.) or by foreign entities directly—as long as there were

A. Illegal Lobbying Activities

Literature on American domestic lobbying converges on one point of agreement: It is impossible to conduct a large-n study on undisclosed means of lobbying, and in fact it is extremely difficult to do any study on the subject.¹⁷ The same limitation applies to studying foreign lobbying. We simply can not determine exactly how extensive the undisclosed foreign lobbying activities are.

At the same time, however, it is feasible to infer that unreported and illegal means of foreign lobby are rare, precisely because of the openness of the U.S. lobby system as well as stringent legal requirement

transfer of funds from overseas—which covers most of the cultural aspects of public relations as efforts to influence the host country, the United States.

¹⁷ Richard A. Smith, "Interest Group Influence in the U.S. Congress," *Legislative Studies Quarterly* 20, (1, 1995) p.89-139; Scott and Itai Sened, "The Role of Lobbyists: Entrepreneurs with Two Audiences," *American Journal of Political Science* 37, (3, 1993) p.834-866; David Austen-Smith, "Information and Influence: Lobbying for Agendas and Votes," *American Journal of Political Science* 37, (3, 1993) p.799-833; David Austen-Smith and John R. Wright, "Counteractive Lobbying," *American Journal of Political Science* 38, (1, 1994) p.25-44; John E. Chubb, *Interest Groups and the Bureaucracy: The Politics of Energy* (Stanford, CA: Stanford University Press, 1983); Donald DeKieffer, *How to Lobby Congress* (New York: Dodd, 1982); John Mark Hansen, *Gaining Access: Congress and the Farm Lobby 1919-1981* (Chicago: University of Chicago Press, 1991); H. R. Mahood, *Interest Group Politics in America: A New Intensity* (Englewood Cliffs, NJ: Prentice Hall, 1990); Lester W. Milbrath, *The Washington Lobbyists Survey*, (Ann Arbor, MI: Inter-University Consortium for Political Research, 1972); Norman Orstein and Shirley Elder, *Interest Group, Lobbying and Policy Making* (Washington, D.C.: Congressional Quarterly, 1978); Francis E. Rourke, *Bureaucracy, Politics, and Public Policy*, 3rd ed. (Boston: Little, Brown, 1984); Karl Schriftgiesser, *Lobbyists: the Art and Business of Influencing Lawmakers* (Boston: Little, Brown, 1951); Jarol B. Manheim, *Strategic Public Diplomacy and American Foreign Policy: the Evolution of Influence* (New York: Oxford University Press, 1994).

for disclosure. Compared with other countries, the US is considerably more open to foreign representation. The US allows foreign countries to advance their causes as long as 1) the means are lawful and 2) they disclose to the US government all of their activities of representation including to the lobbying activities. This openness significantly reduces the need for illegal lobbying. The range of goals that foreign countries can achieve only through illegal lobbying is believed to be limited in the United States.

The cost of illegal foreign lobbying may be also prohibitively high and the chance of success may be extremely low. Foreign country representatives have to assume that their activities are constantly under the microscope of the US government and the US media. Recently, Indonesia and China have been accused of “attempting” illegal lobbying through “attempting” to channel campaign contributions.¹⁸ During the 1980’s Japan was accused of “buying influence,” even though no illegal activities have been reported.¹⁹ The last time an actual case was found was nearly three decades ago. The so-called the Koreagate scandal broke out during the early 1970s, when a Korean-American businessman was found to have provided money to US Congressional members. The points are simple: 1) The activities of foreign representation are closely

¹⁸ See fn. 12.

¹⁹ See fn. 8.

watched, and 2) the cases of successful illegal foreign lobbies—even if they exist—are too few to be a concern for this large-*n* study.²⁰

B. U.S. Domestic Political Groups and Their Involvement in Foreign Lobbying

There have been a few well-known lobbies in the United States, each of which has advanced a cause in favor of a specific foreign country. They included the China Lobby, pro-Israel lobbies, pro-South Vietnamese lobby, and anti-Castro campaign. This research does not cover those lobbies for two reasons: a) Those lobbies have been mostly run by US domestic groups. And, b) only limited number of countries have enjoyed such support from domestic groups in the United States.²¹

1> Domestic Rather Than Foreign Lobbying

Works on the China lobby have consistently demonstrated that it was largely a political phenomenon driven by the US domestic actors. A handful of Americans—who were committed to (and/or had economic interest in) non-communist China—orchestrated the

²⁰ Cases studies on major illegal foreign lobbying cases—if methodologically possible—will have their own merit. But this is a study about the overall picture and not about a few exceptions.

²¹ The question of ethnic groups and their influence on the pattern of disclosed foreign lobbying is discussed in Chapter VIII. Section 1. See pg. 80.

anti-Chinese Communist movement.²² The pro-Israel Lobbies were also largely US domestic political phenomena. The lobbies have included a large spectrum of US domestic Jewish groups with varying and often conflicting positions. Various Jewish lobbies have worked with the Israeli government in fact, but only when the both sides had a common agenda.²³ Media reports on the most active among the Jewish lobbies, such as the American Israel Public Affairs Committee, confirm that the pro-Israel lobbies were US domestic lobbies in their scopes of activities and ways of operation.²⁴ Anti-Castro lobby also has been a similar case.²⁵ So was

²² Thomas Eugene Graham has confirmed such characterization in his dissertation, *Getting Right with China: Membership, Scandal, and Weakness of the China Lobby* (Ph.D. Dissertation: Northern Illinois University, 1994). Ena Chao has argued that the China Lobby was a product of US partisan politics and personal –i.e. ideological– commitment to anticommunist activities against the Red China. See Ena Chao, *The China Bloc: Congress and the Making of Foreign Policy, 1947-1952* (Ph.D. Dissertation: University of North Carolina at Chapel Hill, 1990). There are a few academic books published on the subject. They all confirm the same position. See Stanley Bachrack, *The Committee of One Million: China Lobby Politics, 1953-1971* (New York, NY: Columbia University Press, 1976); and Ross Y. Koen, *The China Lobby in American Politics* (New York, NY: Octagon Books, 1974).

²³ There have been many examples in the past. One recent example is discussed in “Will American Jewry Always Fly Israel’s Flag?” *The Economist* (11/19/1987, p.47-8).

²⁴ Jacob Weisberg, “The Lobby with a Lock on Congress,” *Newsweek* (10/19/1987, p.46-7); Chuck Alston, “AIPAC Working to Shore Up Its Clout with Congress,” *Congressional Quarterly Weekly Report* (2/18/1989, p.297-300); Lloyd Grove, “The Men with Muscle: the AIPAC Leaders, Battling for Israel and Among Themselves,” *Washington Post* (6/14/1991, B1); Peter Beinart and Hanna Rosin “AIPAC Unpacked,” *The New Republic* (9/20&27/1993, p.20-23); and Michael Englehardt, *The Foreign Policy Constituencies of House Members* (Ph.D. dissertation: University of Wisconsin-Madison, 1985). The pro-Israel lobby’s preeminence was recently challenged, as the Middle East Peace Process

the pro-South Vietnamese lobby during the Vietnam War.²⁶ Studies on these lobbies require extensive analysis of the US domestic political system, domestic political groups and the US interest group politics, which is beyond the scope of this study.

This study is about explaining behavior of different countries, with explanatory variables attributed to each country (outside of the United States). Therefore, this study focuses on foreign lobbies managed by foreign countries, and foreign lobbying done by US domestic groups had to be excluded.²⁷

unfolded under Bush and Clinton administrations. See Robert Greenberger, "Politics and Policy: Pro-Israel Lobby Sees Role Shrink As Enemies Turn Into Friends and Leaders Forge Own Ties," *Wall Street Journal* (4/26/1994, A24); and Robert I. Friedman, "The Wobbly Israel Lobby: For the Once Potent AIPAC, It's Been a Very Bad Year," *Washington Post* (11/1/1992, C1).

²⁵ Jeffrey Birnbaum, "Politics and Policy: Cuban-American Contributors Open Checkbooks After Torricelli Exhibits an Anti-Castro Fervor," *Wall Street Journal* (8/3/1992, A20)

²⁶ Pro-South Vietnamese lobby was similar to the old China lobby in the sense that it was driven by ideologically motivated individual Americans and that the lobby lacked overall coordination and coherence. Will Brown, *The Vietnam Lobby: The Americans Who Lobbied for a Free and Independent South Vietnam in the 1940s and 1950s* (Ph.D. Dissertation: Columbia University, 1993).

²⁷ A key assumption for this dichotomous approach is that the primary concern for these domestic lobbies for foreign cause is their own self-interests as defined by the US political system. One of the factors that can challenge this assumption is the so-called "dual loyalty" problem. The notion "dual loyalty" means that minorities in the United States sometimes face conflict between their loyalty to the United States—which is their home country—and also the loyalty to the country of his/her ancestors. In academia, Don Nakanishi has examined the issue of dual loyalty in his *In Search of a New Paradigm: Minorities in the Context of International Politics* (Denver: University of Denver Press, 1975), in which he

2> Exceptions Rather Than Rules

More importantly, these domestically driven lobbies have been exceptions rather than rules. Except the countries mentioned above, it is rare to find countries with political support bases inside the United States.²⁸ In order to better understand a specific country in question and/or the US political system, studies of these exceptional cases will be highly useful. Nonetheless, those exceptions—no matter how spectacular they may be—can not provide the sense of

discussed mixed feelings of minorities in US politics. Recently, it became a political issue after the 1996 Presidential Campaign when the aforementioned political contribution from Indonesian business clan to the Clinton Campaign and other campaign contribution from Asian-American communities became controversial. It showed the “dual loyalty” problem is as much of a perception as reality and that it could be used as a tool for political scapegoating for specific ethnic groups. See Michael Fletcher, “Coalition Says DNC Fund Raising Flap is Generating ‘Asian-Bashing’” *Washington Post* (10/23/96, A16); and “Review and Outlook: In Defense of Asians” *Wall Street Journal* (10/23/96, A22).

As a recent example, a Korean-American employee of the US Navy voluntarily handed over a series of classified information to the Korean government and was arrested. This case again brought to the surface the question of dual loyalty of ethnic groups in the U.S. However, the ethnic component of the issue quickly dissipated as such incident based on ethnic loyalty was seen as rare and unimportant. R. Jeffrey Smith and Peter Pae, “Navy Worker’s Case Raises Issue of Ethnic Sympathy,” *Washington Post* (9/26/96, A15).

²⁸ Besides, most of those exceptional lobbies—the China Lobby, pro-Israel lobbies, pro-South Vietnamese lobby, and anti-Castro campaign—did not last long. [The Jewish-American pro-Israel lobbies have been the only ones with strong and consistent political presence. But, even the pro-Israel lobbies were not entirely immune to the issue specificity problem. See the end of fn. 26.] The majority of those lobbies existed based on specific issues and later disappeared as the issues lost their momentum. This is another reason for excluding those domestically driven lobbies from this study of systemic international lobbying. This study explores the systemic transnational lobbies that last as long as diplomatic ties with the US remain in place.

the *overall picture* of how countries try to convey their views and positions to the US government and public, which this study seeks to do.

C. Foreign Countries' Efforts to Organize Support in the U.S.

What if foreign countries try to influence and steer such US domestic groups to act in their favor? Potentially, this is a very important question for both theory and practice. All the countries mentioned above (e.g. Taiwan, South Vietnam, Israel etc.) are believed to have tried to influence the US domestic groups that were lobbying for their causes, even though the historical studies on those lobbies almost unanimously show that such efforts produced little results.²⁹

Two points need to be noted. First, such practice is expected to be extremely limited at any given time.³⁰ Those efforts have been made only when foreign countries had specific US political groups to influence. The number of countries that have such US domestic groups is considerably limited. Secondly, most of the efforts to influence

²⁹ See fn. 22, 24, and 26.

³⁰ This is a question of whether foreign countries try to control the specific US ethnic political groups for extended period of time. It is different from the question of whether or not foreign countries try to influence general public opinion in the U.S. Numerous countries have indeed tried to influence the US public through general public relations efforts. Jarol B. Manheim presents many cases of such public relations efforts in his book, *Strategic Public Diplomacy and American Foreign Policy: the Evolution of Influence* (New York: Oxford University Press, 1994).

domestic groups are captured in the quantitative data that this study uses any way.³¹ Keeping in mind these two points, consider the following cases with regard to China, Japan and Mexico.

For the past few years, the term “New China Lobby” has begun to emerge in the US news media. The New China Lobby and the old China Lobby have differences and similarities. The old China Lobby advocated support for the Kuo Min Tang government (and later Taiwan) for three decades from the 1940s, on the basis of anti-communism. The New China Lobby on the other hand allegedly advocates friendly policy toward the mainland China based on commercial realism, emphasizing US economic stakes in the mainland China. In this respect, the two China lobbies are completely different. In terms of political bases in the United States, the New China Lobby is driven by US domestic political constituents, just like the old China Lobby. The difference is, the old China lobby was driven by a few ideologically committed individuals, while the New China Lobby is allegedly driven by mostly US transnational corporations with existing or prospective economic interests in China. Media reports note that China, without ability to direct control the US firms, uses the strategy of threat—raising the possibility of closing its market to the US businesses—to mobilize the support for the US government’s friendly approach to China issues.³²

³¹ See fn. 16.

³² Jim Hoagland, “Latest Trade Darling,” *Washington Post* (3/24/1994, A29); A.M. Rosenthal “On My Mind: The Client is Lenin,” *The New York Times* (3/25/1994, A29); Michael Weisskopf, “Backbone of the New China Lobby: U.S. Firms,” *Washington Post* (6/14/1993, A1).

According to media reports, Japan also tried to approach American interest groups that have an interest in a harmonious relationship with Japan.³³ The Japanese approach is different from that of China. It is not the strategy of threat but the strategy of conveying information, highlighting how important Japan is to the particular American group's self-interest. Similar efforts were made by Mexico recently, even though the efforts were focused exclusively on the issue of NAFTA.³⁴ These efforts by Japan and Mexico are reflected in the data of disclosed foreign representation and lobbying that this study uses. The countries by and large have no choice other than using hired representation in these efforts. The efforts to reach out to the US public require significant amounts of manpower and expertise. On their own, foreign countries have only limited manpower and expertise in the United States. That is why they have to hire the professionals in the US foreign representation industry. And, when they do so, their activities are reported.³⁵ This study uses the data compiled based on those reports.

³³ Stephen Engleberg with Martin Tolchin, "Foreigners Find New Ally in U.S. Industry," *New York Times* (11/2/1993, A1)

³⁴ Stephen Engleberg, "Mexico Gains Allies in U.S. on Trade Agreement," *The New York Times* (11/2/1993, B3); Bob Davis, "Politics and Policy: Mexico Mounts a Massive Lobbying Campaign to Sell North American Trade Accord in U.S." *Wall Street Journal* (5/20/1993, A18); Stephen Engleberg, "Mexico Gains Allies in U.S. on Trade Agreement," *New York Times* (11/2/1993, B3)

³⁵ In the aforementioned case of China, their strategy of threat however does not need such assistance and therefore is not reflected in the numerical data that this study uses.

2. WOULD UNDISCLOSED LOBBYING ACTIVITIES AFFECT DISCLOSED FOREIGN REPRESENTATION?

It is possible to raise a question whether country patterns of unreported lobbying (which this research can not examine because it is rare and there is little data available) somehow affect the country patterns of the reported foreign lobbying (which is the subject of this research). If such effect existed and were found significant, this study would have had to incorporate the effect as one of the key causal variables. However, such effect is presumed to be significantly limited for the following two reasons.

- 1) As discussed earlier, very few countries are believed to be engaged in undisclosed lobbying activities. To the extent that this is true, it should not matter much at all, whether the pattern of unreported foreign lobbying affects patterns of reported foreign representation, except of course for an extremely small number of countries.³⁶
- 2) Through a survey of media reports, it would be possible to identify, for the most part, which countries have been active in undisclosed lobbying activities. Therefore, influence from undisclosed foreign lobbying to the disclosed foreign representation—no matter how limited—will not be left out as an omitted variable. The chapter VIII deals with this variable by comparing patterns of reported foreign lobbying between those countries that are allegedly active in unreported lobbying activities and other countries that are not. For instance, Israel is compared with other countries in terms of how

³⁶ See section I.A. of this chapter, on pg. 31.

they spend money differently in their disclosed lobbies in Washington.³⁷

³⁷ See Chapter VIII. Section 2 on pg. 82.

V. PRELIMINARY FINDINGS

This study originates from a preliminary research, which had found a strong possibility that distinct country patterns exist in foreign lobbying in the United States and highlighted the need to explain those varying patterns. The preliminary research was based on the same the data source that the main study later used; *the Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act of 1938, as amended, for the Calendar Years 1988, 1989, 1990 and 1991*.³⁸ This data collection contains detailed and extensive records of which country spent how much money to which foreign agent for what purpose.³⁹

The preliminary research collected and analyzed data for four countries, China, Japan, Korea and Taiwan. The data analysis for the four countries has yielded clear country patterns. Taiwan and China demonstrated opposite characteristics in most aspects of their foreign lobbying. First of all, Taiwan was shown to focus heavily on advocacy lobbying as opposed to simple

³⁸ The complete citation is; Attorney General of the United States, *Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act of 1938, as amended, for the Calendar Years 1988, 1989, 1990 and 1991* (Washington, DC: U.S. Department of Justice, 1991).

³⁹ The Attorney General's Report contains a chapter for each of 180 countries. Each country chapter includes sections each of which lists a foreign agent's name (a U.S. firm representing its foreign principal), one of its clients (which may be a foreign government, corporation, industry association, organization, or others), amount of money paid to the agent for representing the client, brief description of activities and numbers of months involved for each year from 1988 to 1991.

contact and information gathering.⁴⁰ Also Taiwan data showed heavy concentration on advocacy lobbying to the Congress. The difference with the other countries was clear as shown in Table 1. This finding supported the already existing media perception of Taiwan as one of the most skillful engineers of foreign lobby in Washington.⁴¹ Another revealing aspect about Taiwanese lobby in Washington is its stable relationship between the clients and their agents, as shown in Table 2. This stability may be also related to the alleged Taiwanese success in Washington lobby.

Table 1. Advocacy Lobby: percentages within trade-related lobbying activities⁴²

	Total	Executive	Congress
China	0.00%	0.00%	0.00%
Taiwan	35.90%	25.64%	25.64%
Korea	9.09%	7.27%	0.00%
Japan	22.33%	15.21%	12.30%

⁴⁰ See fn. 5 for definitions for advocacy lobby and information lobby.

⁴¹ "Taiwan, Trying to Win Status in Washington, Targets Grass Roots," *Wall Street Journal* (May 16, 1995): A1. "In Its Contest With Taiwan, China Turns to P.R. Experts," *New York Times* (Feb. 2, 1996): A1. "Taiwan Won Platform Terms with Democrats," *Wall Street Journal* (October 25, 1996): A16. It will be interesting to ask whether the lobbying pattern shown in Tables 1 and 2 above has to do with Taiwan's alleged success, but that is beyond the scope of this research because it would be extremely difficult to define and to measure so-called success and to correlate it to the pattern in Tables 1 and 2.

⁴² The second column—called "total"—includes all kinds of advocacy lobby activities related to international trade and it is not a sum of the columns three and four. Some foreign representation projects aim to lobby both the executive agencies and the Congress. Therefore, some elements of column "Executive" and column "Congress" overlap with one another.

Table 2. Average months for each case hiring foreign agents for trade lobby

China	Taiwan	Korea	Japan
11.89	28.82	20.64	24.17

China exhibited patterns that were nearly opposite to those of Taiwan, as partly shown in Table 1. As it may well be expected, the overall size of China's Washington lobby was small relative to those of other countries. Advocacy lobbying was virtually non-existent for China. There was virtually no lobbying directed to the Congress. China has been found to hire a relatively small number of very expensive political lobby services. None of the political lobby projects have been reported as advocacy lobbying however. Rather, they were reported as arranging contacts with US executive branch officials. The Chinese paid large sums of fees for those services, as the Table 3 shows.

Table 3. Political lobby: per case expenditure and total number

	Per case expense	# of political lobby cases
China	\$480,673.74	6
Taiwan	\$147,359.53	9
Korea	\$255,635.76	11
Japan	\$144,514.07	17

The preliminary research has found that Japan and Korea were situated in-between China and Taiwan in terms of their overall characteristics of foreign representation in the US. In other words, Japan's overall patterns were closer to those of Taiwan, and Korea seemed to share some characteristics with China. For example, Chinese and Korean data showed strong foci on executive branch contacts, as Table 4 indicates. Regarding this observation, it is possible to infer that the two countries focus on US executive branch contact because the political systems in China and Korea are executive branch centered and the Chinese and Koreans thus—perhaps

subconsciously—naturally looked to executive branch contact as the way to reach out to the United States government.⁴³

Table 4. Executive Branch Contact: percentage within the trade-related lobbying activities

China	Taiwan	Korea	Japan
44.44%	5.13%	30.91%	16.18%

In addition to the “norms” at home, period of learning allowed (knowledge “capabilities”) may play a role. Ever since the Kuo-Min-Tang years of the 1930s, Republic of China (i.e. Taiwan) has a long history of skillful lobbying in the United States. This seems to show in the difference between Korea and Taiwan in terms of their foci in political lobbying. As the Table 5 shows, Korea’s political advocacy lobbying—as oppose to those in “trade” lobby—was solely directed at Executive Branch officials, while Taiwan directed its political advocacy lobbying efforts exclusively to Congressional members. The main research explores this relationship between the lobbying patterns and the length of diplomatic ties with the United States.

Table 5. Percentage of advocacy lobby within political lobbying activities

	Advocacy Lobby to the Executive Branch	Advocacy Lobby to the Congress
China	0.00%	0.00%
Taiwan	0.00%	14.29%
Korea	18.18%	0.00%
Japan	6.25%	12.50%

⁴³ Based on this observation, the main research sought ways to test a hypothesis that the degree to which domestic political power is concentrated on the executive branch at home has much to do with this kind of executive branch-centered approach to lobby in Washington. But the effort failed for this study, because I could not find a large-*n* data set on domestic political power balance. However, the hypothesis remains interesting and can be tested if and when necessary data become available.

As it may well be expected, Japan was engaged in a far greater number of trade-related lobbying cases, which Table 6 shows. More interesting and less obvious than these absolute numbers is the question of resource allocation. Tables 7 and 8 show that Japan placed much more emphasis on trade-related lobbying and much less emphasis on political lobbying, when compared with the other countries. In fact, in Tables 7 and 8 seem to indicate that political and economic development levels may have something to do with the resource allocation for overseas representation. Based on this expectation, I collected and analyzed data for a great number of other countries during the course of the main research, in order to examine whether we can predict patterns of overseas representation of a country based on its gross national income, trade volume, and other socio-political variables. The results will be discussed in the following chapters.

Table 6. Size of Trade-related Lobbying

	Cases	Cost (\$)	Time (months)
China	6	\$486,591.80	107
Taiwan	36	\$12,018,360.12	998
Korea	54	\$19,018,476.53	1105
Japan	299	\$207,647,380.79	7096

Table 7. Trade-related Lobby: sizes relative to all representation activities

China	Taiwan	Korea	Japan
39.13%	67.92%	68.75%	85.12%

Table 8. Political Lobby: sizes relative to all representation activities

China	Taiwan	Korea	Japan
13.04%	13.21%	17.75%	4.41%

Explanation for these variations in country patterns are not readily available. Three of the four countries, Japan, Korea and Taiwan, were all

more or less dependent on the United States for their exports during the period from 1988 to 1991. All of them also had trade surpluses and trade friction with the U.S. during that time. It was also the time when “aggressive unilateralism” was on the rise in the U.S.⁴⁴ If perfect rationality had prevailed in the policy-making mechanism in all three, we should expect to see at least some similarity in the weight given to Congressional advocacy lobbying in trade-related issues. But, country differences—rather than similarities—were salient in the preliminary research results. That indicates that in addition to maximizing based on strategic rationality, there must be an array of other factors that may affect the behavior of foreign lobbying. The main research sought to examine what those factors are and

⁴⁴ Jagdish Bhagwati and Hugh Patrick, *Aggressive Unilateralism: America's 301 Trade Policy and the World Trading System* (Ann Arbor, MI: University of Michigan Press, 1990)

how important they are in determining the country patterns of foreign representation in the United States.⁴⁵

⁴⁵ One may argue that not all patterns of foreign representation are determined by the factors that are attributed solely to the countries that are represented. That is to say that variables intrinsic to the U.S. could also determine the patterns. For instance, if the US Congressional members are more interested in Taiwan than other countries for instance, it is natural that Taiwanese representatives are more involved with the Congress. This is in a nutshell a concern for **reversed causality problem**. In the main research, **this problem is factored in as the issues frequency variables**, the variables to which rational actors are supposed to react to. (See fn. 55.) This does not completely solve the reversed causality problem but handles it adequately.

VI. DATA COLLECTION & ANALYSIS

Many have long noted differences in foreign lobbying among different countries.⁴⁶ But, no one has attempted either to characterize the country differences systematically or to analyze the causes for such differences, not to mention the degree to which the causes affect the patterns. This research has aimed to accomplish those three tasks.

1. DATA COMPILATION

I used, as the data source for dependent variables, *the Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act of 1938, as amended, for the Calendar Years 1988, 1989, 1990 and 1991*.⁴⁷ This source contains records

⁴⁶ See fn. 14 and 41.

⁴⁷ The complete citation is; Attorney General of the United States, *Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act of 1938, as amended, for the Calendar Years 1988, 1989, 1990 and 1991* (Washington, DC: U.S. Department of Justice, 1991). The report is generated based on the Foreign Agents Registration filings.

The Reporting Requirements and Enforcement: *The Foreign Agents Registration Act of 1938, As Amended*, requires organizations acting in furtherance of the interests of foreign principal to file notarized reports every year, to the Foreign Agent Registration Unit of the Criminal Division of the US Department of Justice, describing in detail their activities and related expenses. The law also requires all publications of the registered organizations to be submitted with reports to the Department of Justice. Also, “each partner, officer, director, associate, employee, and agent” of a registered organization is required to file statements every year “describing in detail all services” rendered to the registered organization. The Justice Department examines all filings. It has so far investigated a few suspected cases of wrongful reporting, imposed fines and made corrections for the incorrect filings.

of which country spent how much money to which foreign agent for what purpose.⁴⁸ The Report is divided by country chapters. Each chapter has sections, each of which lists name of a foreign agent (a U.S. firm representing its foreign principal), and its client (e.g. foreign government, corporation, industry association, organization, etc.), amount of money paid to the agent for representing the client, description of activities and numbers of months involved each year from 1988 to 1991.

I selected 53 countries out of 180 and analyzed each of their 2,048 records.⁴⁹ Based on the reported description of the activities. I coded each case into several categories. I set up a computer database and entered the codes and analyzed results for each record into the database. Some of the coding categories required dummy variables “1” for “yes” and blank (“0”)

⁴⁸ The Attorney General’s Report contains a chapter for each of 180 countries. Each country chapter includes sections each of which lists a foreign agent’s name (a U.S. firm representing its foreign principal), one of its clients (which may be a foreign government, corporation, industry association, organization, or others), amount of money paid to the agent for representing the client, brief description of activities and numbers of months involved for each year from 1988 to 1991.

⁴⁹ Out of 180 entities registered (several colonial islands are registered as separate entities), these 53 had more hired representation than the rest and were believed to have significant levels of interaction with the United States. The 53 countries selected were as the following: Angola, Argentina, Australia, Austria, Brazil, Canada, Chile, China, Colombia, Costa Rica, Czechoslovakia, Egypt, El Salvador, Federal Republic of Germany, Finland, France, Great Britain, Greece, Honduras, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Korea, Kuwait, Malaysia, Mexico, Netherlands, New Zealand, Nicaragua, Pakistan, Panama, Philippines, Poland, Romania, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, USSR, Venezuela, and Yugoslavia.

for “no”. The following is a screen copy of the data entry form for the database.

Country	Japan	Policy Advs	1	Etc# 1	#Name?
Agent	Arnold & Porter	Legal Advs	1	Etc# 2	#Name?
Princip	Komatsu	Legal Rep			
Agent	cs	Legis Monit		Activity Code	11
Notes		Media Advs			
		Gov Advc Lo		Charge 88	Mon
		Cong Advc L		Charge 89	Mon
		Gov Cont	1	Charge 90	\$1,219,477.18 Mon 10
		Cong Cont		Charge 91	\$647,317.69 Mon 12
		Med Camp	1	Total Charge	\$1,866,794.87 Total 22
		Pub Camp		Political Prog	public relations material distributed to government officials and media reporters
		Event Prom.			

Record: 14 of 2048
Form View

Based on my judgment, I coded and entered the information, as the following⁵⁰.

Agents: I classified the agents into consulting firms, law firms, U.S. liaison offices, an individual representative of the client, think tank, or free lancing individual lobbyist. In the screen copy above, “cs” in the agent section for example stands for “consulting firm.”

⁵⁰ Even though, I used my own judgment in coding the activity descriptions (written in full sentences), any possibility of misjudgment seemed limited. The activity descriptions for the absolute majority of the cases were unambiguous.

Clients (“Princip”): I classified the clients into the categories of; foreign government (including embassy), foreign government agency, business association of a foreign country, or foreign company. In the screen copy above, “ic” in the client section for instance stands for “(individual) foreign company.”

Representation Activities: As shown in the screen copy above, I classified the nature of activities into; information collection and analysis (“Info Lobby”), advocacy lobby (“Advc Lobby”), and/or public relations services (“PR Lobby”). Many cases have been classified into more than one category.

Services: Also, as shown in the screen copy above, I classified the specifics of the activities into; analysis and advice on US government policies (“Policy Advs”), analysis and advice on legislative and legal matters (“Legal Advs” and “Legis Monit”), legal representation (“Legal Rep”), advice on media relations (“Media Advs”), advocacy lobby to the executive branch of the US government (“Gov Advc Lo”), advocacy lobby to the US Congress (“Cong Advc L”), directly contacting—or arranging contacts with—US executive branch officials (“Gov Cont”) and Congressional members or their staff (“Cong Cont”), efforts to influence or to utilize media (“Med Camp”), public relations efforts without direct involvement of established media (“Pub Camp”), and/or promotion of public events (“Evnt Prom”). Many cases have been entered with several of these categories checked.

Purposes for Representation (“Activity Code”): I categorized each case into; political lobby, trade (and business) lobby, business management and marketing, or others. Each case was labeled under just

one category. In the screen copy above, “tl” in the activity code section stands for “trade and business lobby.” After this data entry, because of the focus of the research being foreign lobbying and because of the subsequent choice of the dependent variables (See the section 2.A. below) serving that purpose, **In the actual regression, I included only the records of lobbying activities (those entered here as “political lobby” or “trade (& business) lobby”)** and excluded those records classified as business management and marketing, investment promotion, trade promotion, etc.⁵¹

As the screen print above shows, I also entered amounts for money (“Charge [YY]”) and months (“Mon”) an individual client spent for each case of representation.

Upon completion of this data entry, I produced country data sets, by aggregating and dividing the data entered for each country. The country data sets included totals and per case averages of all the aforementioned data entry categories, including the various classification codes.⁵² From this country data set, specific measurable dependent variables were selected for the next step.

⁵¹ Even though I used only the record of foreign lobbying for the main regressions of this study, I also produced distribution of all foreign representation activities (including business and marketing assistance, investment promotion, trade promotion, etc.) in a separate report.

⁵² The results were compiled in the separate report discussed above.

2. VARIABLE MEASUREMENTS

The data set specified above produced measurements of country differences in foreign representation in the United States. **For this research, I selected the following measurements of country differences in (trade and political) lobbying categories only.**⁵³

A. Dependent Variables: country characteristics of foreign lobbying in the US

1) Pattern Variables: These variable measurements were supposed to show relative concentrations on various activities of lobbying cases for different activities, services and purposes categories discussed above

- Number of total lobby cases to the Congress divided by the number of total lobby cases to the executive branch (**LbTotCong/Ex**): The more a country focused its overall lobbying efforts on the Congress rather than the executive branch, the higher this measurement will be.
- Number of advocacy lobby cases to the Congress divided by the number of advocacy lobby cases to the executive branch (**AdvLbCong/Ex**): The concept is the same as above but is applied only to advocacy lobby.
- Number of advocacy lobby cases divided by number of information and/or contact lobby cases (**AdvLb/InfCntLb**): This was to measure to what extent a country is engaged in advocacy lobbying activities (that

⁵³ See above fn. 51. See also the *Appendix III: Dependent Variable Measurements* for details. Due to the large number of measurements, the size of the potential set of dependent variables was nearly infinite, which could be dealt with in future researches.

are more proactive) rather than being engaged in (rather passive) information and contact lobby cases.

2) Size Variables: several measurements for the sizes of lobbying activities

- The absolute sizes of trade-economic lobbies are measured in months (**TrdLbTotMth**) and dollars (**TrdLbTot\$**) spent.
- The absolute sizes of political lobbies are measured in months (**PolLbTotMth**) and dollars (**PolLbTot\$**) spent

As anticipated, the measurements of the dependent variables varied widely across countries.

B. Independent Variables

The following categories of measurements were obtained as the possible independent variables to be tested. Several measurements were chosen for each category of causal independent variables in order to increase the validity of the findings about each category.

- 1) “Issues”: independent variables that were expected to cause rational-choice-making actors to react to and to result in country variations of dependent variables.
 - An independent variable measurement (**IssFrqEx/IssFrqCong**) was produced by dividing “IssFrqEx” by “IssFrqCong” shown below.
 - Bilateral issues frequency with the US government involved (**IssFrqEx**): This was to measure the degree to which the

executive branch of the US government was concerned about a particular country. The higher the measurement of this variable, the more foreign lobbying the country involved was expected to direct to the US executive branch. The data source was the *Lexus-Nexus Search* on articles from major newspapers for the period of 1987 through 1991.⁵⁴ The measurement was the number of articles that included the words “US” and the specific country name but not “Congress”.⁵⁵

- Bilateral issues frequency with Congress involved (**IssFrqCong**): This was to measure the degree to which the US Congress was concerned about a particular country. The higher the measurement of this variable, the more foreign lobby the country involved was expected to direct to the Congress. The data source was the same as IssFrqEx. The measurement was the number of articles that included the specific country name and the term “Congress.”⁵⁶

- Bilateral general issues frequency with US (**IssFrqGen**): This was to measure the degree to which Washington in general was

⁵⁴ The 1997 data was included additionally to account for time lag between issue occurrence and reaction.

⁵⁵ The *Lexus-Nexus Search* command was “U.S. government w/30 (country name) and date aft 1/87 and bef 1/92 and not Congress.”

⁵⁶ The *Lexus-Nexus Search* command was “U.S. Congress w/30 (country name) and date aft 1/87 and bef 1/92.”

concerned about a particular country. The higher the measurement of this variable, the more publicized the bilateral relationship was, and therefore the more active advocacy lobby was expected. The measurement was sum of IssFrqEx and IssFrqCong for each country.

- Bilateral trade issues frequency with US in general (**IssFrqTrd**): This was to measure the degree to which overall Washington was concerned about trade issues with a particular country. The higher the measurement of this variable, the more active trade lobbying the particular country was expected to carry out. The data source was the same as IssFrqEx and IssFrqCong above. The measurement was the number of articles that include the words “US,” “trade” and the specific country name.⁵⁷
- Bilateral trade volume with US (**TrdVolUs**): The more a country traded with the US market, the more active trade lobby the country involved was expected to carry out. The data was obtained based on each country’s exports to and imports from the US for the period of 1987 through 1990.⁵⁸
- Trade action cases (**TrdActCas**): The measurement was the annual average of section 301 cases for each country during the period

⁵⁷ The *Lexus-Nexus Search* command was “U.S. and trade and dispute! w/30 (country name) and date aft 1/87 and bef 1/92.”

⁵⁸ *Direction of Trade Statistics, 1984-90* (Washington, D.C.: International Monetary Fund, 1991).

1985-1990. The more such investigations occurred, the more active the trade lobbying the country involved was expected to carry out.⁵⁹

- Bilateral non-trade issue frequency with US in general (**NonTrdIss**): The source and methods were same as **IssFrqTrd** above, except that the measurement was number of articles without the word, "trade." The reason for separating trade and non-trade issues was to use them in trade and non-trade representation separately.⁶⁰

- Total bilateral aid from the U.S. (**BltAidUs**): The more a country was dependent on the US for aid, the more active foreign lobby activities the country was expected to carry out.⁶¹

2) "Capabilities": The following independent variables were expected to influence rational-choice-making actors in reacting to situations.

- Years of diplomatic ties with the US (**DplTieYrs**): This measurement was expected to indicate the length of time a country

⁵⁹ The source was Thomas Bayard and Kimberly Elliot, *Reciprocity and Retaliation in US Trade Policy* (Washington D.C.: Institute for International Economics, 1994) Summary Table, p. 355-369.

⁶⁰ The *Lexus-Nexus Search* command was "U.S. government w/30 (country name) and date aft 1/87 and bef 1/92 and not trade."

⁶¹ For this research the only data I could find that had reasonable consistency was the 1982-90 total from *Gale Country & World Rankings Reporter* (Detroit, MI: Gale Research, 1995)

has experienced the workings of the US system. The longer the years of interaction with the US, the more active the country's Washington operation was expected to be.⁶²

- Newsweek magazines' annual circulation (**NwkCrtTot**): This is a measurement of each country's average circulation for the time period of 1987-90. It was used as a measurement of a country's understanding of the US system.⁶³ The underlying presumption was that higher the value, the more likely it was that the country was active in Washington operation. Unlike major US newspapers or CNN, Newsweek magazine was unique and more useful for this measurement purpose, because it has been distributed worldwide at least for more than last 10 years.

- Number of foreign students sent from each country to the US (**FrnStdUs**): The purpose of measurement and expectations for correlation were similar to those of **DplTieYrs** above. Data was not available for every year. The sample data from the period of 1979-80 was used in order to account for time lag.⁶⁴

⁶² Years were counted as of 1988, excluding years of diplomatic severance. See John Findling, *Dictionary of American Diplomatic History, 2nd Ed.* (New York, NY: Greenwood, 1989).

⁶³ Data was provided directly from the Newsweek Circulation Department in New York through hand written fax.

⁶⁴ The source was *Open Door 1991/92* (New York: Institute of International Education, 1993). There are series of studies on how studies abroad affect socio-cultural and political system at home. A good starter on such literature is an article by Gerald W. Fry, "The Economic and Political Impact of Study Abroad" in E. Barber, P. Altbach, and R. Myers,

- Gross national product – GNP (**GrsNtnPrd**): The larger the domestic economy, the more financial resources the country would have and the more the Washington operations it could afford.⁶⁵
- Per capita GNP (**PerCapGnp**): The idea was similar to GNP measurement (**GrsNtnPrd**) above. The richer the country in the per capita measurement, the more financial capabilities the country would have and the more the Washington operations it could afford.⁶⁶

3) “Norms”: Social actors, including that of the states, are influenced by historically formed social structure, expectations and institutions. The following variables, when correlated with dependent variables, were expected to indicate to what extent systems and rules at home were reflected in the patterns of various countries’ foreign lobbying.

Eds. *Bridges to Knowledge: Foreign Students in Comparative Perspective* (Chicago: University of Chicago Press, 1984).

⁶⁵ 1989 GNP data in 1989 constant dollar value was used based on Bureau of Census, *Statistical Abstract of the United States 1990* (Washington D.C.: US Department of Commerce, 1990). Before choosing GNP (**GrsNtnPrd**), I have considered using government budgets or budget of foreign ministries as possible alternatives. But, I realized that for many countries government budget is just a partial source for funding foreign representation. Often private companies spend more than their governments.

⁶⁶ 1989 per capita GNP data in 1989 constant dollar value was used, based on Bureau of Census, *Statistical Abstract of the United States 1990* (Washington D.C.: US Department of Commerce, 1990).

- Number of private associations (**PrvAsnTot**) and number of political parties (**PolAsnTot**): These were used as measurements for degree of pluralism at home. The expectation was that, the more pluralistic the home political setting, the more at home their Washington operatives would be with the US system, and therefore they would be better positioned to carry out more active and a wider variety of Washington lobbying.
- Per capita campaign spending (**PerCapCam**):⁶⁷ The key to the Washington representation is money. It was expected that how political money is spent at home should be somehow reflected in how their representatives spend money in Washington. The purposes for both categories of spending at home and abroad are similar. They are designed to advance certain interests and causes. If a country was familiar with financial spending in interest group politics at home, the same would be expected for its operations abroad.⁶⁸
- Corruption Index (**CrpIdxRtn**): Every year Transparency International, a private organization, conducts survey on international business people's perception and publishes a report called the "Corruption Perception Index" which contains

⁶⁷ The source was; The Center for Responsive Politics, *The World of Campaign Finance* (Washington DC: 1993).

⁶⁸ There are existing studies on public campaign finances and party finances in different countries. But, it was difficult to find data that could be used across different countries. See Herbert Alexander and Rei Shiratori, eds., *Comparative Political Finance Among Democracies* (Boulder, CO: Westview Press, 1994); Herbert Alexander, ed., *Comparative Political Finance in the 1980s* (New York: Cambridge University Press, 1989).

measurements of how “corrupt” people think each country is.⁶⁹ For the purpose of this research, this variable was used as a similarity measurement. I assumed that countries with higher scores in the Corruption Index (CrpIdxRtn)—the “cleaner” countries—would be more similar—in terms of their socio-political norms and institutions—to the United States. The rationale was that the index was created based on interviews with Western—mostly American—business executives about their perception of how easy it is to do a business in the countries surveyed. It was expected that the countries that are more similar to the US would show more active foreign lobbying in the United States.

In addition to this list of norm variables, two additional points need mentioning. First, I wanted to use data on frequency of regime changes

⁶⁹ The source was; Transparency International, *1996 Transparency International Corruption Perception Index*, (Press Release, June 2, 1996) p.6. At a first glance, the Corruption Index may seem to have little relevance for a study of foreign representation in the US for two reasons. First, the report defines corruption as “the misuse of public power for private benefits.” Foreign representation in the US, on the other hand, is reported and disclosed under the Foreign Agents Registrations Act. For that reason and others, foreign representation in Washington, in general, has little to do with illegitimate misuse of resources. Second, the Corruption Indexes have been produced only for the past three years, while the dependent variable measurements in the proposed research are five to nine years old.

For the first problem, I assumed that a large part of what the Western public perceives as corruption in those countries often includes many different kinds of non-market transactions and typical advocacy lobbying with purpose of advancing specific interests and causes. On the second problem, while acknowledging that time lag would make the design less than perfect, I did not expect that the problem would be serious enough. The time lag

(RgmChnFrq) as a possible indicator of active pluralism at home. I ran regressions with other variables and found absolutely no significance with RgmChnFrq. For the sake of simplicity, I decided to drop RgmChnFrq from the list of variables. Second, I intended to find measurements for power balance between executive branch and parliament in different countries. If found, such measurements could have been used as useful “norm” causal variables to explain differences in lobbying patterns. I searched for such measurements in various comparative politics literature and internet-accessible data archives. I also asked several experts of comparative politics and posted inquiries in various internet discussion groups for political science research. Unfortunately, no suitable measurement has been found.

3. CORRELATION COEFFICIENT MEASUREMENTS: MULTIVARIATE REGRESSION

Next step was to measure the weights of independent variables in determining the values of dependent variables. The following equation (1) represents the notion that the dependent variables (Y)—the pattern or sizes of various countries’ foreign representation in the US—are functions of three categories of independent variables; issues, capabilities, and norms.

$$Y = f(\text{Issues, Capabilities, Norms}) \quad (1)$$

was at most nine years between 1987 and 1996. I did not expect that a country’s culture could significantly change within such length of time.

Specifically, the function (1) can be further illustrated as the following equation (2).

$$Y = \beta_0 + \beta_s S + \beta_c C + \beta_n N + \varepsilon \quad (2)$$

With; Y = measurement of a dependent variable

β_0 = constant

β_s = coefficient for an independent variable in the “issues” category

S = an independent variable measurement for the “issues” category

β_c = coefficient for an independent variable in the “capabilities”
category

C = an independent variable measurement for the “capabilities”
category

β_n = coefficient for an independent variable in the “norms” category

N = an independent variable measurement for the “norms” category

ε = an error (disturbance) term

A computer statistics program, *JMP* of the SAS Institute, ran this multivariate regression and produced coefficients β_s , β_c , and β_n , along with constants β_0 and disturbance terms ε . The three coefficients β_s , β_c , and β_n indicated how important each of the three categories of independent variables—issues, capabilities, and norms—was in determining patterns or sizes of different countries’ foreign lobbying activities in the US. Further

details of this multivariate regression are provided in the section 1. of the appendix I.

VII. FINDINGS FROM THE REGRESSION

The research has found that the issue salience—how often a specific country is mentioned in the media—most influentially determines how active a country becomes in foreign lobbying in the United States—when measuring in terms of foreign lobbying expenditure. Therefore, the issue-driven “Reaction Model” of page 19 works best in explaining—and even predicting—how much a country spends in foreign lobbying in the US. However, there are evidence that the capability-driven “Resource Model” and the norm-driven “Norms Model” are also important.

In short, countries are most likely spend money in foreign lobbying when they become a target of—mostly negative—media attention. But, level of wealth and knowledge, as well as degree of pluralism at home also have influence in making a country active in foreign lobbying in the US.

1. INDEPENDENT VARIABLES: SUMMARY OF FINDINGS

The following summarizes several important findings with regard to the independent variables chosen for this research. More detailed findings are discussed in the appendix I, section 2.

A. Issue Variables

Among the three groups of variables, the issues variables showed the strongest effect on the dependent variables, indicating that the Reaction Model is the most robust model.

- Bilateral trade issues frequency with US (IssFrqTrd): This variable was the measurement of the degree to which bilateral trade issues attract the attention in the US media (the number of newspaper articles printed). The variable showed a very strong positive effect on how much trade lobby a country carries out in the U.S. The confidence levels were consistently so high, that it seemed possible to predict a country's approximated level of trade lobby expenditure, based on the average IssFrqTrd parameter and an actual IssFrqTrd measurement.

- Bilateral non-trade general issues frequency (NonTrdIss): This variable was the measurement of the degree to which bilateral issues (excluding trade-related ones) attract attention in the US media. The variable was found to have significant effect on how much political lobby a country carries out in the U.S. Like the case of IssFrqTrd, prediction seemed plausible.

- Bilateral trade volume with the US (TrdVolUs): Interestingly and quite surprisingly, this variable's effect on the size of trade lobby was found to be insignificant when other variables such as Newsweek Magazine circulation (NwkCrtTot) and the number of foreign students in the US (FrnStdUs) were controlled. NwkCrtTot and FrnStdUs were the measurements that reflected each country's knowledge of the US system. This finding indicated that countries carry out more trade lobby in the

US, when they know the system better than others and not necessarily because they trade with the US more than others do.⁷⁰

- Section 301 trade action cases (TrdActCas): The variable was found to have more effect on the dollar measurement of the trade lobby size (TrdLbTot\$) than on the monthly measurement (TrdLbTotMth). The reason may be that the countries designated—or those correctly anticipated designation—under section 301 may have been charged more by their agents for the usual or more intensive lobbying efforts and also those countries may have been desperate enough to pay more for those services. It seems however that the designated countries did not necessarily set up additional contracts of lobbying only because of the 301 designation.

- Total bilateral aid from the U.S. (BlAidUs): I expected that recipient countries of US foreign aid would be active in political lobby. Interestingly, however, BlAidUs was found to have little effect on either pattern or size of political lobby.

⁷⁰ In this research, I originally sought to include level of export dependence on US market (export to the US divided by a country's total export) as an independent variable. I ran regressions with the variable and found no effect on any of the dependent variables. Subsequently, the variable was excluded from the study.

B. Capability Variables

In addition to the utmost robustness of the Reaction Model, the research found that the Resource Model is also reasonably important, as the capability variables showed considerable significance. Among the capability variables, the publicly shared knowledge of the US system was found to be important, while economic capability was found also important with a lesser degree.

- Knowledge of the US system, measured in Newsweek Magazine's circulation (NwkCrtTot) and the number of students sent to the US (FrnStdUs): These variables showed considerable effects on making countries focus more of their advocacy lobby on the Congress rather than the executive branch. They were found to have significant levels of positive effects on the size of a country's trade lobby as well, even when the volumes of trade were controlled.⁷¹ In addition, NwkCrtTot was found to have considerable positive effect on the size of political lobby. On the contrary, FrnStdUs was found to have no similar effect.

- Economic capabilities, measured in gross national product (GrsNtnPrd) and per capita GNP (PerCapGnp): Richer countries were found to have channeled more of their advocacy lobby to the Congress

⁷¹ One may argue that knowledge variables such as NwkCrtTot could be just indicators of the level of bilateral interaction, rather than determinants for lobbying pattern. Such argument seems unsupported however, since one of such indicators of interaction size, TrdVolUs, has been controlled together with NwkCrtTot and FrnStdUs. Thus, these familiarity variables (NwkCrtTot and FrnStdUs) are believed to have independent effects.

than to the executive branch. Also they were found to have carried out more advocacy lobby than information-related activities.⁷² In addition, they were found to have done more trade lobbies in the United States, even when their bilateral trade volumes were controlled. The economic capabilities seemed to have similar effects on political lobbying, even though the results were slightly less robust.

- Years of diplomatic ties with the US (DplTieYrs): This measurement was chosen as another variable that could reflect the knowledge of the US system. Interestingly, however, no significant regression result was found.

⁷² There may be several possible explanations. First, since richer countries may have more economic and political interaction with the United States, they might have more agenda that need to be tackled through advocacy lobby. This possibility, however, is not supported by related evidence. The general bilateral issues frequency (IssFrqGen)—a more direct measurement for the size of bilateral interaction—did not show strong effect on the dependent variable (AdvLb/InfCntLb) in no. 33-52. Secondly, the relationship between higher per capita GNP and more advocacy lobbying may have something to do with the fact that advocacy activity is relatively more expensive than information-related activities. In order to check such possibility, I calculated monthly average charges. The charge for an advocacy case was \$31,682.33, while an information-related charge was \$28,516.10. However, depending on the viewpoints, this price difference of about 10 percent may not be significant enough to be a decisive cause for the difference in the outcome. Thirdly, since richer countries—with higher per capital GNP—would have more opportunity to interact with the United States, they would have better understanding of the US system and would be better prepared to carry out more proactive advocacy activities than passive information gathering activities. It will be difficult, however, to confirm this directly.

C. Norm Variables

The research has found that the Norms Model has considerable significance, even though it was the least robust among the three models. As discussed below, some of the socio-political conditions and norms at home were found to matter in determining country characteristics of foreign lobbying in the United States.

- Measurements for Pluralism: The number of private associations (PrvAsnTot) showed considerable effect on the size of trade lobby. The number of political parties per million people (PolAsnTot) showed some effect on the size of the political lobby as well.

- Corruption index (CrpIdxRtn): Countries with higher scores in the Corruption Index (CrpIdxRtn)—the “cleaner” countries—were believed to be more similar to the United States in terms of their socio-political norms and institutions. The rationale was that the index was created based on interviews with Western—mostly American—business executives about their perception of how easy it is to do a business in the countries surveyed. This research has found that countries with higher scores in the Corruption Index (CrpIdxRtn)—the countries whose social norms and institutions are presumably similar to those of the US—direct their advocacy lobby significantly more to the Congress than to the executive branch. Those countries were also found to do more active trade lobby, even when their trade volumes with the US were controlled.

2. DEPENDENT VARIABLES: SUMMARY AND DISCUSSION OF FINDINGS

The focus of the research has been to analyze the effect of the causal independent variables through multivariate regressions. However, before running the regressions, the results of the data compilation revealed several interesting aspects of the selected dependent variables as well. The dependent variables described how various countries behave in foreign lobbying in the United States. Complete details of these findings were compiled in a separate large-size data collection.

The second point to note is how the chosen dependent variables have differed in terms of the regression results. Even with the same independent variables used for different dependent variables, some dependent variables yielded strong regression results, while others did not. The following sections A through C summarize note-worthy findings and important issues raised—with regard to the dependent variables—that were obtained in the regression process.

A. Pattern Vs. Size Variables

I set out with three dependent variables that were to indicate the *patterns* of foreign lobbying carried out by different countries. The three “pattern measurements” included; 1) number of all lobbying cases—both advocacy and non-advocacy—to the Congress divided by the number of all lobbying cases to the executive branch (LbTotCong/Ex), 2) number of advocacy lobby cases to the Congress divided by the number of advocacy lobby cases to the executive branch (AdvLbCong/Ex), and 3) number of all advocacy

lobby cases divided by number of all information and/or contact lobby cases (AdvLb/InfCntLb).

I also chose four other dependent variables that indicate the *size* of—or degree of activism for—trade and political lobbies for each country. Those four “size measurements” included; the sizes of trade lobby measured in months (TrdLbTotMth) and dollars (TrdLbTot\$) spent, and the sizes of political lobbying measured in months (PolLbTotMth) and dollars (PolLbTot\$) spent.

Regression results of the pattern measurement variables (LbTotCong/Ex, AdvLbCong/Ex and AdvLb/InfCntLb) were in general weaker than those of the size measurement variables (TrdLbTotMth, TrdLbTot\$, PolLbTotMth and PolLbTot\$). There may be several possible explanations for it.

- 1) Problems in dependent variable measurements: While the size measurements, TrdLbTotMth, TrdLbTot\$, PolLbTotMth and PolLbTot\$ were real numbers; the pattern measurements, LbTotCong/Ex, AdvLbCong/Ex and AdvLb/InfCntLb were ratios. This difference of measurement may affect difference in regression outcomes. As measurements, ratios are less significant in magnitude than real numbers. Therefore regressions with ratios may produce outcomes that are less robust in general.
- 2) Problem in availability of independent variable measurements: I originally intended to find measurements for power balance between executive branch and parliament in different countries. If found, such measurements could have been used as useful causal variables to explain differences in lobbying patterns and they could have

shown strong relationship with the dependent variables. I searched for such measurements in various comparative politics literature and internet-accessible data archives. I also asked several experts of comparative politics and posted inquiries in various internet discussion groups for political science research. Unfortunately, no suitable measurements were found.

However, these problems with the pattern measurements aside, it needs to be emphasized; 1) that the *pattern* measurements still generated interesting results with some of the independent variables, and 2) that the *size* measurements produced significant and important results with most of the independent variables chosen as discussed in the section 1 of this chapter.

B. Differences between Trade and Political Lobbies

As noted, I used four size measurement dependent variables for trade and political lobbies; TrdLbTotMth, TrdLbTot\$, PolLbTotMth and PolLbTot\$. I measured their relationship with; 1) *knowledge (capability) variables*, such as the circulation of the Newsweek Magazine (NwkCrtTot) and number of students sent to the U.S. to study (FrnStdUs); and 2) the *similarity (norm) variables*, such as the number of private associations (PrvAsnTot) and number of political parties (PolAsnTot) at home, and the Corruption Index (CrpIdxRtn). The results of the regressions showed that the countries that are more familiar with, and similar to, the US (higher in each of the four measurements; NwkCrtTot, FrnStdUs, CrpIdxRtn, and PolAsnTot) tend to do more **trade lobby** in the US, when other variables—such as bilateral trade volumes—are controlled. Those countries with higher

NwkCrtTot and PolAsnTot measurements were also found to do more **political lobby** (but not those with higher FrnStdUs or CrpIdxRtn).⁷³

C. Size Measurement Variables: Monthly Vs. Dollar Measurements

Among the four size measurement dependent variables, TrdLbTotMth and PolLbTotMth were in monthly terms, while TrdLbTot\$ and PolLbTot\$ were in dollar terms. The regression results indicated that monthly measurements were relatively better in reflecting overall level of a country's lobbying activities, while dollar measurements were perhaps better for indicating intensity of specific missions. In particular, dollar terms highlighted time-specific and event-specific variations. In trade lobbying, for instance, TrdLbTot\$ showed a close tie with section 301 trade action cases (TrdActCas), while TrdLbTotMth did not. In political lobbying, Saudi Arabia and Kuwait showed some of the highest PolLbTot\$ without the PolLbTotMth matching them. This discrepancy was due to the Gulf War. Following the outbreak of the war those two countries spent significant amounts of money to cultivate supportive atmosphere in Washington. But, before the war, they were not big spenders of political lobbying. In short, monthly and monetary measurements of foreign lobbying had their own separate merits measuring different aspects of lobbying activities, as illustrated in these examples.

⁷³ For details, review and compare the results for tables 13 through 16 in the section 2 of Appendix I. These results as a whole shed an important light on the difference between trade and political lobbies. That is, trade lobby is carried out by diverse—both private and government-controlled—groups, while participation in political lobby is more limited to government-controlled groups.

3. OTHER RELATED FINDINGS

The regression based on three categories of independent variables has been the core of this research. However, along the process of the research other questions have emerged, relating to the data used in the research. They were addressed when possible. The following are those findings.

- ◆ EXPORT DEPENDENCE AND TRADE LOBBY: Even if a country heavily depends upon the US market for its exports, that does not necessarily mean the country will put significant amount of time and money into trade lobbying in the US.

A country's export dependence on the US market is measured in terms of the export to the US divided by its total export overseas. As the footnote 70 notes, I originally sought to include this measurement as an independent variable that may affect the size of trade lobby. When I measured the correlation, I found—to my surprise—that very few of such exists.

- ◆ US SUBSIDIARY POLITICAL CONTRIBUTION AND TRADE LOBBY: If a countries has US subsidiary companies making large political contributions in the US, that does not—compensate for and therefore—reduce the size of the country's spending in directly hired trade lobby. In fact, those countries spend more in hired trade lobby.

One may expect that a country would spend less in hired trade lobby, when US subsidiaries owned by its companies contribute more money for

political causes. The evidence showed the opposite, as the appendix II, section 1 illustrates. Big spenders in trade lobbying also had US subsidiaries making large political contributions as well. This may be another evidence that trade lobby is almost never centrally coordinated.

- ◆ SECTION 301 DESIGNATION AND TRADE LOBBY: One may expect that when the US government designates a country for unfair trade practices (such as under the US trade law section 301), the trade lobby activity of the designated country would surge. The evidence shows that it is not the case, as the appendix II, section 2 illustrates. Countries in general do not seem to react to the US's section 301 trade cases in such responsive way.

- ◆ FAMILIARITY WITH THE US AND REACTION TO THE SECTION 301 DESIGNATION: One may expect that a country with significant presence in and familiarity with Washington (such as Canada) would not show dramatic reaction to trade cases such as the section 301 designation. The evidence does not support such hypothesis however, as the appendix II, section 2 shows. Furthermore, data show that it is difficult to anticipate a country's reaction to trade cases, as the contrasting cases of China and India in the appendix II, section 2 also illustrate.

- ◆ BILATERAL TRADE BALANCE AND TRADE ISSUES: As noted earlier, this research has found that the more often trade issues are raised in the United

States about a particular country, the more active trade lobby the country is likely to do. Then, what causes the frequency of trade issues (TIF) to rise? Additional regression has found that balance trade balance plays an absolutely critical role, as the appendix II, section 3 shows.

◆ **BILATERAL TRADE BALANCE AND THE SECTION 301 DESIGNATION:** When the US has a large bilateral trade deficit with a country, does the country have a relatively higher chance to be designated under the Section 301 of the US trade law for unfair trade practices? The causes of the 301 trade action has attracted attention before and a similar correlation has been studied elsewhere.⁷⁴ The appendix II, section 4 shows that the correlation in this study was significant enough, but only when Japan's case was included.

◆ **MILITARY SPENDING AND POLITICAL LOBBY:** One may expect the countries with higher level of military insecurity would spend more for political lobbying in the United States in order to secure US protection. Testing this hypothesis was difficult for a variety of reasons associated with defining and measuring the notion 'military insecurity.'

One of proposed methods was correlating military expenditure and political lobby spending in the US. Data analysis here has produced two

⁷⁴ Marcus Noland, "Chasing Phantoms: The Political Economy of USTR," *International Organization* 51, 3 Summer 1997, pp.365-87.

interesting results: 1) Both of domestic military spending measurements, one per capita and the other per GNP, shows **significant correlation** with political lobbying expenditure in the US measured in dollar terms (the graphs c and d of the appendix II, section 5). However that is not the case with time measurement (the graphs a and b). 2) The finding in 1) led me to check another set of correlation. I have found that the big military spenders spend large amounts of money in small number of political lobbying cases.

This leads to three conclusions: A) A military issue-related political lobbying requires more spending than other cases of political lobbying. B) For that reason and others, military and security related lobbying cases do not last long. C) A large number of long-term political lobbying is not related to military and security issues.

VIII. FOREIGN LOBBYING IN THE U.S: KEY ISSUES, MAJOR PLAYERS AND OVERALL IMPLICATIONS FOR THE U.S.

Relating to the findings of the main research, this section discusses some the countries that are most active in foreign lobbying inside the US. The last sections of this chapter also discuss the US Senate investigation of the Asian Money Scandal and the issues of foreign lobbying and foreign influence in American politics.

1. ETHNIC COMMUNITIES IN THE US AND THEIR INFLUENCE ON DISCLOSED FOREIGN LOBBYING

It is widely recognized that American policies are influenced by its ethnic groups when they form large voting blocs.⁷⁵ Taking into account this significance of ethnic groups, before dealing with specific countries, let us briefly revisit a question raised in Chapter IV, section 1: The question of whether (and how) undisclosed lobbying for foreign interests may affect the patterns of disclosed foreign lobbying.⁷⁶ It is possible to wonder whether those countries supported by large domestic ethnic lobbying inside the US may look less (or more) active in those countries' disclosed lobbying activities. As a way to deal with this question, it has been suggested to incorporate the sizes of the ethnic populations as a causal variable affecting the sizes of disclosed foreign lobbying. However, actual implementation of the suggestion seemed too difficult. For instance, countries such as Israel,

⁷⁵ Paul Glastris, "Multicultural Foreign Policy in Washington," *U.S. News and World Report* (7-21-97), p. 32-35.

⁷⁶ See p. 33.

Ireland, and Italy may be presumed to have large numbers of American citizens sympathetic for those countries' causes. But, when it comes to the questions of how to define Jewish Americans, Irish Americans and Italian Americans and how to measure their population sizes; there seems to be no easy solution. And, when Canadian Americans, German Americans and British Americans enter the consideration, the task looks even more daunting.⁷⁷

The only way to tackle the question within the framework of this study was to look at the ranked sizes of foreign lobbying, with particular attention to those specific countries.⁷⁸ However, after a careful observation, I found no particular pattern indicating any relationship with ethnic groups. Most of those countries with presumably large ethnic groups in the US were ranked high in the lists. This meant that having more ethnic population in the US does not necessarily reduce the size of disclosed foreign lobbying. The opposite inference (that more ethnic population in the US may increase the size of disclosed foreign lobbying) did not necessarily seem to hold either, because other countries presumably without significant sizes of related ethnic populations in the US were ranked in top as well. In short, the top-ranked countries seemed simply the ones that are close to the US in terms of

⁷⁷ And, furthermore, Mexican Americans (both citizen and non-citizens) may raise entirely different sets of questions, since their large size of non-citizen and illegal immigrants may have ways of exercising political influence, that is different and can not be adequately compared with those of other ethnic groups.

⁷⁸ See Appendix III.

higher levels of political and economic interaction, regardless of related ethnic groups in the US.⁷⁹

2. COUNTRIES MOST ACTIVE IN FOREIGN LOBBYING: THE RESEARCH FINDINGS ON THEIR PATTERNS AND CHARACTERISTICS

In this study, sizes of trade and political lobbies were measured in terms of months (time length of a lobbying activity contract), number of cases, and dollars (charge for a contract). The results are ranked by country and they are listed in appendix III by categories of those separate measurements. The numbers of the months and the cases were better measurements for showing overall size of a country's long-term lobbying activity. Dollar measurements were less consistent, because charges varied widely depending on the kind of an activity contracted and the urgency of an issue. For instance, Kuwait and Saudi Arabia suddenly spent a lot of money to garner US political support during the Gulf War. Such incident was well captured in the dollar measurements, while their otherwise (relatively) low level of political lobbying activity during normal years was better captured in the other measurements.

As the appendix III shows, Japan, Canada, Great Britain, France, Germany, Mexico, Korea, and Taiwan were consistently ranked on the top in both trade and political lobbies between 1988 and 1991, the period for which

⁷⁹ It is true, however, that this finding only partially answers the question on the relationship between ethnic politics and pattern of disclosed foreign lobby. In order to address the issue more fully, it will be necessary to carry out qualitative case studies with more narrow focus on those particular ethnic groups.

data were available for this study. However, there were other countries such as Israel and South Africa that were active in political lobby alone. The following discusses these key countries' ranks and activities one by one.⁸⁰ Further discussion actual foreign lobbying operations by some of the major countries, such as China, Japan, Taiwan and Israel, are presented later in Section 4.C. of this chapter.

A. Canada

In trade lobby, Canada was ranked as number two in both time (months) measurement and number of cases, and it was ranked number three in money spent. Canada hired a large number of major lobbying firms for both information and advocacy lobbying purposes with regard to trade issues. It also maintained several local governments' (e.g. Ontario, Alberta, British Columbia) representative offices which carried out various trade lobbying activities.

In political lobby, Canada did not hire many lobbying firms. The country was noticeable only in the expenditure category as number four. This relatively high rank in the expenditure category resulted from the fact that the Quebec government maintained a large representative office in the US and ran political lobbying operations in support of the cause of Quebec.

⁸⁰ The country discussion that follows is primarily based on the quantitative data sets that this study has produced. For further discussion on some of these countries' activities, see section 4. B. of this chapter from p. 107.

In the information versus advocacy cases division, about 70 percent of Canada lobbying cases were for information collection and analysis, while about 30 percent of the cases were of advocacy purposes. There were 66 advocacy lobbying cases. All of them were directed to the Congress, while 46 of them were also directed to the executive branch.⁸¹

B. China

China was not an active player of trade lobbying during the period of 1988 and 1991. It was ranked around the middle in all of the trade lobby measurement categories. In political lobby, the number of cases for China was inconspicuous, ranked around the average of all countries. But, China was number eight in the time measurement and, more notably, number five in the expenditure. This was due to its operation of "China Books & Periodicals, Inc." Through this company, China distributed in the US, a large amount of printed political materials such as the government-run newspapers, the Party documents, and other state-produced journals, targeting mostly Chinese-American population. China hired just three lobbying firms for political purpose during the four-year period. These firms helped the Chinese mostly in setting up contacts with US executive branch officials, which many Western countries might have done by themselves without such outside help. The record showed no advocacy lobby. This altogether shows that the Chinese were ineffective in political lobbying in the US during the period. There seem to be some evidence that China is

⁸¹ These counts are not mutually exclusive. Some advocacy cases target both the Congress and the executive branch.

now trying to break out of this pattern.⁸² However, during the period of 1988 and 1991, China seemed to be still learning about foreign lobbying in the US and was far from being a major player in the game.

C. France

In trade lobby, France was ranked as number four in both the time measurement and the number of cases. It was number two in the expenditure rank. France kept a relative balance between hiring a large number of major lobbying firms on one hand and maintaining representative offices of major corporations—that directly carried out various trade lobbying activities—on the other. The information-advocacy cases division was about two to one. France had 21 advocacy cases. The targets for those cases were evenly split between the Congress and the executive branch. France was not shown to be active in any category of political lobbying activity measurements.

D. Germany

In trade lobby, Germany was consistently one of the top ten players, but it belonged to the lower side of that list, ranked as number seven in both the time measurement and the number of cases, and number nine in money spent. Germany relied mostly upon major lobbying firms for its trade lobby.⁸³

⁸² See, for instance, "In Its Contest With Taiwan, China Turns to P.R. Experts," *New York Times* (Feb. 2, 1996). Also the so-called the Chinese Money Scandal that broke out in 1996 and 97 may be viewed as a reflection of this effort. See fn. 12.

⁸³ The only exception was Daimler-Benz's large representative office that directly carried out trade lobbies.

In political lobby, Germany did not spend much money, ranked around the middle in the expenditure ranking. But, it was a major player; in the time measurement, where it was ranked number three, and in the number of cases, where it was ranked number five.

The information-advocacy case division was seven to three. There were 15 advocacy lobbying cases. The Congress-executive branch division in terms of targeting was three to four.⁸⁴

E. Great Britain

In trade lobby, Great Britain was ranked as number three in both time (months) measurement and the number of cases, and number four in the expenditure category, directly following Canada in all three categories. Great Britain relied upon a large number of major lobbying firms for their trade lobbies. Great Britain was not a major player in political lobby, ranked below average in the time measurement and the number of cases and slightly above average in the expenditure category. The information-advocacy case division was five to four. There were 62 advocacy lobbying cases. The Congress-executive branch division in terms of targeting was nearly even.

F. Israel

As noted, Israel was not a major player in hired trade lobby. However, in hired political lobbying, it spent more than any other countries, nearly twice the number two and three - Saudi Arabia and Kuwait that had to spend

⁸⁴ See fn. 81.

extraordinary amount during the Gulf War. In the number-of-cases measurement, Israel was ranked number four, and number five in terms of the time (months) measurement. The information-advocacy division was about nine to five. There were 10 advocacy cases reported. Among them, the Congress-executive branch division in terms of targeting was five to eight. Data analysis suggested that Israel was focusing more on grassroots public relations campaign than on direct advocacy lobbying to the US government.

G. Japan

In trade lobby, Japan was undoubtedly the top. In the time measurement, Japan's record was more than twice that of Canada, the number two. The size of expenditure was also twice that of the second, France. In number of cases, Japan also excelled Canada, the number two, by three to two. Japan was engaged in trade lobby with a broad front, based on a large number of its companies maintaining their presence for direct lobbying as well as hiring a large number of lobbying firms.

In political lobbying, Japan was again at the top in the time measurement. In the number of cases, it was number three, however. And, the expenditure for political lobbying was rather surprisingly number 14. These altogether showed that Japan was engaged in a very consistent but low-intensity political lobbying.

A big difference from the developed Western countries was its information-advocacy case division of seven to two. This showed Japan's

propensity to (and preference of) monitoring rather than aggressive lobbying, in comparison with Western countries. Of its proportionally small number of 73 advocacy lobbying cases, the Congress-executive branch was almost even, with a slight tilt to the Congressional side.

H. Korea

In trade lobby, Korea was ranked as number five in both time (months) measurement and the number of cases, and number eight in expenditure. Korea hired a relatively large number of major firms. But, the top five expenditure cases went to various representative offices engaged in trade lobbying activities.

In political lobby, Korea was number eight in the number of cases. In the measurements of expenditure and time, Korea was ranked around the middle of all countries. This showed that for a short period of time Korea sought to advance a specific agenda on a wide front. Such surge was observed right before the 1988 Olympic Games in Seoul. Korea tried to secure a positive image of the country and a full support from the US in ensuring a large number of countries' participation in the Olympic Games. The fact that the total expenditure and time measurements still remained around the mid-level, despite the Olympics efforts, indicates that Korea's political lobbying efforts for other issues remained lower than those of most other active countries.⁸⁵

⁸⁵ There may be several explanations for this. First, facing a common threat across the DMZ of the Korean Peninsular, the US-Korean relationship may have been stable to such extent that Korea did not need as much political lobbying as other countries did. Second, the Koreagate incident of the 1970s may have created among Koreans the aversion to political lobby in the US. Third, the American (or Western) style political lobbying may have been a

The information-advocacy division of all lobbying cases was highly unusual, at seven to one. This showed Korea's preference for monitoring rather than aggressive lobbying. The degree was much more one-sided than that of the Japanese case. Korea had just six cases of advocacy lobbying, extremely low in proportion. Even more surprisingly, all of them were directed only to the executive branch.

I. Mexico

In trade lobby, Mexico was ranked number eight in the time measurement, number six in the number of cases, and number twelve in the expenditure. Mexico's record indicates a very unstable trend in Mexico's spending in trade lobby in the US. Between 1988 and 1989, its spending dropped by three seventh. Then, in the following year the spending grew more than ten times. The next and last year of 1991, the spending almost doubled again. This two years' increase in spending perhaps had to with the progress of NAFTA. Mexico mostly relied upon major US lobbying firms for their trade lobby. In political lobby, Mexico's activities were not significant, compared with other active countries, in any measurements.

The information-advocacy division for Mexico's lobbying activity was five to four. There were 36 advocacy lobbying cases. 31 of them were directed to the Congress, while 16 of them were directed to the executive

foreign idea to Koreans, given their political history where they lacked pluralism during the late 1980s and the early 1990s. The Koreagate itself had shown this lack of understanding and experience, since they tried to influence Washington by handing over cash to politicians, a culturally typical behavior inside Korea from the 1940s until the 1970s. Perhaps, the low level of Korea's political lobby during the late 1980s thorough the early 1990s may be explained by all these three explanations together.

branch.⁸⁶ This observation showed that Mexico's primary concern with its relationship with the US was, unsurprisingly, economic, and that the country knew how to do effective lobbying in the US when necessary.

J. South Africa

South Africa was somewhat similar to the case of Israel. It was not a major player in trade lobbying. But, in political lobbying it was consistently ranked as an active country in various measurements. It was ranked number two in the time measurement and number six in the number-of-case measurement. In the expenditure category, it was number seven. Through the transfer of power from President Botha to President de Klerk, South African government of the Nationalist Party increased its political lobbying in the US in an effort to rectify its political image of the days of apartheid. The government hired a large number of lobbying firms. Some of the contracts were expensive. ANC also had a case of supporting its representatives in the US but its expenditure was reportedly minimal.

K. Taiwan

In trade lobby, Taiwan was ranked as number six in the time measurement, number eight in the number of cases, and number thirteen in the expenditure. The size of Taiwanese lobbying for trade issues was smaller than what I expected based on their reputation for the lobbying power. Taiwan hired a number of relatively small Washington firms with a moderate level of spending and maintained stable relationships with them. This pattern may reflect Taiwan's reputation of efficient lobbying. In political lobby, Taiwan was number ten in the time measurement, number

⁸⁶ See fn. 81.

fifteen in the number of cases, and quite surprisingly number 21 in the expenditure. The information-advocacy division was eight to five. There were 19 advocacy cases. Same numbers (13 of them) were directed to the Congress and the executive branch.⁸⁷

L. Other Noted Players in Political Lobbying

In various trade lobby measurement categories, most of the countries discussed above—with exceptions of Israel and South Africa—consistently remained at the top. In the political lobby measurement categories however, there were more irregularities. Those countries that stood out in some of the political lobby measurement categories may be categorized into two groups. The first group was noticeable in the spending category. It included Saudi Arabia, Kuwait, and Turkey. Their political lobby efforts were centrally managed by the governments. They set up a small number of very expensive contracts with just two or three major firms. The second group was noticeable in the time and the number-of-cases categories. It included Nicaragua and Angola. Their political lobby efforts were carried out by diverse and often competing groups, that included the governments and various opposition groups. They reported large numbers of cases, but their level of national aggregate spending for political lobby was generally low.

Saudi Arabia was ranked number two in the political lobby spending. In 1988 and 1991, Saudi Arabia spent about \$1 million each year for political lobbying in the United States. If the spending had remained at a similar level in 1989 and 1990, Saudi Arabia would have barely joined the top 10 of

political lobby spending. But, in fact, it spent as much as \$14 million in 1989 and \$5.8 million in 1990. This dramatic surge contributed to being ranked as number two in the expenditure. The surge in the spending had to do with two events, the Gulf War in 1989 and 1990 and a large exhibition and celebration Saudi Arabia staged in their country in 1989 in order to improve its national image. The Saudis relied upon just five Washington firms for their political lobbying efforts, a small number comparing with other major players. The largest contract was carried out in 1989 for \$13.4 million a piece, serving both the exhibition promotion and Gulf War political campaign.

The story about Kuwait is similar to that of Saudi Arabia. Kuwait was ranked number three in the political lobby spending. Interestingly, Kuwait did not have any political lobby reported during 1988 and 1989. Then, the spending surged in 1990 with \$7 million and was doubled in 1991 with \$14 million. Obviously, this surge had to do with Gulf War and its aftermath. One largest annual contract cost Kuwait \$10.7 million between 1990 and 1991.

Turkey was ranked number six in the spending category, but it had only ten cases of political lobby cases reported. Most of them, quite expensive, had to do with American aid and the US visits by high officials including the head of the state.

Nicaragua was ranked number two in the number-of-cases category for political lobbying and number four in the time measurement. But, its aggregate spending did not make to the top ten. Both its government and

⁸⁷ See fn. 81.

various opposition groups seemed to have tried to build their support bases in the US. With limited funds however, they had to rely on various Nicaraguan ethnic groups as well as their representatives residing in the US, instead of hiring expensive US lobbying firms.

Angola was ranked number one in the number-of-cases category, but its spending and duration of the efforts did not even reach the average of the 53 countries examined. With limited funding, the MPLA-led government, FNLA opposition, UNITA opposition and several other groups relied upon their representatives and various supporters residing in the US and occasionally hired some US lobbying and PR firms for brief periods of time.

3. FOREIGN LOBBYING AND FOREIGN INFLUENCE IN AMERICAN POLITICS

A. Limits of Foreign Lobbying in the United States

Foreign lobbying carried out in the United States is *fundamentally different* from domestic lobbying by US domestic interest groups. Foreigners are significantly restricted in their access to US policy makers. Foreigners have neither the votes nor ways to make political contributions. They do not belong to the “revolving door” system and thus have no future jobs to offer to US policy makers. Thus, foreigners lack the incentives to offer both elected and appointed US government officials.

First of all, foreign lobbying is subject to entirely separate sets of rules and disclosure requirements than those applied to domestic lobbying. The Foreign Agent Registration Act of 1938 (FARA) remains the key US law

regulating the lobbying by foreign interests and their US agents. The objective of FARA is to ensure transparency and public disclosure of foreign lobbying efforts in the US. Under FARA, the foreign agents and entities are required to file a registration statement on the purpose and the personnel structure of their affiliated organizations. Registered foreign agents are required to report semi-annually the nature of their activities and related expenses to the Department of Justice. The reported information is made available for public inspection.⁸⁸ FARA applies to a wide range of activities including not only advocacy lobbying but also public relations activities, various consulting, information services and even financial activities, most of which domestic lobbying is not required to report on.⁸⁹ Any informational material produced by, or on behalf of, foreign interests must be submitted to the Justice Department for public inspection. These restrictions and disclosure rules partly result from the overall public perception and suspicion of foreign lobbying that are relatively more negative in comparison with that of domestic lobbying. This persistent

⁸⁸ Individual and independent activities (without the help of US foreign agents) of diplomatic officials and officers of foreign governments are exempted from FAR reporting requirements. Activities related to religious, scholastic, or scientific purposes, along with others, are also exempted.

⁸⁹ The Lobbying Disclosure Act of 1995 (LDA) expanded registration requirements for US domestic lobbying activities, even though, for domestic lobbying activities, the level of reporting requirements is still much less stringent and much less wide in scope. Some of foreign lobbying activities and the related agents are required to file disclosure information under LDA.

public suspicion has long played an important role in limiting the permitted scope of foreign lobbying activities in the US.⁹⁰

Secondly, foreigners do not have votes. As observed in the section 1 of this chapter, in theory, a few ethnic groups with large size of voters concentrated in certain electoral districts may be mobilized to pressure elected officials for foreign causes. But, such possibility is limited by two factors. First, foreign countries that have such potential ethnic groups are rare exceptions. Second, even such countries with potentially sympathetic ethnic groups can not take the groups as a readily available resource of support. Being essentially groups of US citizens, those ethnic groups can be mobilized only when a group's interests and the foreign country's interests overlap.

Thirdly, foreigners and foreign entities are not allowed to offer political contributions to electoral candidates. Only permanent residents and branch companies registered as American entities, with local source of revenue, can make such contributions. When such contribution is made by a company of foreign origin, it is often subject to careful scrutiny by law enforcement agencies and disclosed to public, as the Senate investigation of the previous section has shown. However, the Senate report acknowledged that foreign money, no matter how small each transfer may be, continues to flow into

⁹⁰ The recent Asian Money Scandal has further negatively affected the US public perception of foreign lobbying, regardless of the actual findings of the Senate Governmental Affairs Committee's 1997 investigation. The negative public perception of foreign lobbying is not a new phenomenon. In fact, the he instatement of the FARA nearly six decades ago was the result of the very public suspicion of foreign influence over the US policy making process. The suspicion remains to this day, along with the general distaste for the more pronounced influence of domestic interest groups.

US campaign financing. Nonetheless, it is also important to note that impact of such money is significantly limited as compared with political contributions originated from domestic sources. Even though foreigners may expect certain returns from the money donated, US political candidates have very little incentive to feel obligated to return the favor, since the foreigners lack votes in actual elections.

Fourthly, foreign interest groups, whether governments, private companies, or other associations or organizations, do not belong to the US “revolving door” system. In other words, US government officials can not, in general, expect future employment with foreign interest groups. This makes the working relationship between the US government officials and foreign interest groups fundamentally different from that of government officials and domestic groups. Comparing with the interactions with domestic groups, US government officials lack incentive to be sensitive to foreign interest groups’ needs. One important point is that some officials may expect future employment in the US lobbying firms with foreign clients. In that case, the officials will have interest in maintaining the US lobbying industry. Thus they will be interested in feeding information to the US lobby firms—but not directly to the foreigners—that will make the officials look good to the firms and will make the firms look good to their foreign clients. However, whether they—in this process—would undermine the US national interests is a separate question that depends on expectations and understanding between the US lobby industry and the US government officials. Those foreign clients who operate in the field often sense that the US government officials and the US lobbying firms share rather clear understanding of proper code of conduct. That is, the government officials

seem to pass along enough non-confidential information to support the lobbying industry but not classified information that may harm the US national interests. US officials seem to clearly understand that both constant refusal to cooperate and over-enthusiasm for providing information could undermine their individual professional reputation as well as the system of cooperation between themselves and the US lobby industry in the long run.

Under the so-called the “revolving door” system, US lobbyists see the US government as their future employer as well, which make US lobbyists with foreign clients sensitive to the need of the US government officials. In fact, some foreign clients feel that the lobbyists—they hire—act as the conduits—if not agents—for the US government and channel the argument of the US government. The argument channeled through the lobbyists have more credibility than those directly from the US government, because of the fact that the lobbyist are supposedly paid to work for the clients.⁹¹ US foreign lobbyists act between foreign clients and the US government. They can not maintain their business without either of the two. But facing the question, ‘which is more important,’ the US lobbyists have to take into account the fact that foreign clients come and go but the US government stays, together with the US lobbyists themselves, in Washington. Therefore, the lobbyists have to care more about their working relationship with the US government and their reputation among the US government officials than

⁹¹ It is interesting to note that, in some of the foreign representative organizations from East Asia, the reports from US lobbyists carry more weight than the reports from their own local staff. When important information is conveyed over the phone to headquarters, it is sometimes asked to have it printed in the form of a lobbyist’s memo rather than in an internal report. This ironic phenomenon is not limited to just one country but rather common among representatives from different East Asian countries.

achieving foreign client's goals. Furthermore, if a reputation of selling the national interests is established, a US lobbyist will risk losing his/her contacts with the US government and will soon lose the business itself.

This issue of the ultimate loyalty gets further complicated, due to the operational logic of foreign clients themselves. In general the effectiveness of foreign lobbying project can not be measured either immediately or even in the long run. Therefore, foreign clients lack incentive to care seriously about the ultimate loyalty issue.⁹² Foreign operatives are obliged to care more about how they look to the authorities and their clients at home rather than what their efforts achieve in the forms that are immeasurable. Therefore, the usual flow of less-than-critical information is satisfying for many foreign clients.

The so-called White House coffee of the Asian Money Scandal is a related case in point about the true motive of foreigners. Asian businessmen who joined President Clinton for coffee were much more likely to care about the photographs taken with Clinton than how carefully Clinton listened to their cases, if they had any. Pictures with Clinton, when taken home, can help them project their image of having good connections in the US and can produce immediate business payoffs at home, rather than in the United States. It is most likely that, whatever agenda the Asian businessmen might have had, they clearly understood the US President would not be bought over coffee. They most certainly would have believed that, whatever they paid, just the pictures with the US President and therefore the

⁹² In this respect, the issue may not be about loyalty but simply about limits. The loyalty question exists only when the clients truly care about it. Since they do not, the clients will accept the reality as "being limited."

established fact that they met with the US President were worth the cost of payment, without expecting anything beyond that.

In sum, foreign lobbying operates under entirely different legal restrictions and incentive systems, which make it very different from domestic lobbying. An array of rules and interests, that are different from those of domestic lobbying, make foreign lobbying in the US a self-sustaining system that runs based on its own systemic logic and individual incentives and produce outcomes that are vastly different from what the US general public seem to be suspicious of. The findings from a year-long time investigation of the so-called “Asian Money Scandal”—which had been originated from the public weariness of possible foreign influence—lend strong support to this point.

B. The 1997 Senate Governmental Affairs Committee’s Investigation on the Asian Money Scandal

In March 1997, the US Senate voted to let Senator Fred Thompson of Tennessee, the chairman of the Senate Governmental Affairs Committee (from here on “the Committee”), to initiate his Committee’s investigation of the wrong doings of campaign finance during the 1996 federal elections. With a funding of \$4.35 million allocated for the investigation, the Committee held public hearings from July until October 1997. The investigation ended in the following December. The Committee released its report in March, 1998.

Three legal actions resulted from the investigation. One was about the actual violation of election law, and the other two were about hindering the Committee’s investigation itself. First, Maria Hsia was indicted for

laundering campaign contributions. Second, Yah Lin “Charlie” Tri was indicted for obstructing the Committee’s investigation. Third, the Attorney General requested an independent counsel to investigate Interior Secretary Bruce Babbitt for lying to the Committee.

The March 98 Committee report contained little conclusive information about illegal foreign efforts to influence US politics and policy making. Senator Thompson’s initial claim that a Chinese plot to influence the US government “affected the 1996 presidential race” produced no real evidence.⁹³ The Committee report mentioned “circumstantial evidence” that such plan existed and that the Chinese tried to execute the plan, which “the Committee [could] not determine conclusively.”⁹⁴ With regard to the foreign money issues, parts of the report were devoted to highlight the following points.

- John Huang collected large amounts of money from Asian-American communities in an indiscriminating manner, sometimes allowing money from suspicious foreign sources to flow in to help Clinton’s reelection. Huang in several occasions used the White House coffee to bring in foreign nationals, mostly Asian businessmen, to raise contributions.

⁹³ The US Senate Committee on Governmental Affairs, *Investigation of Illegal or Improper Activities in Connection with 1996 Federal Election Campaigns: Final Report*, (March 10, 1998), p. 4565.

⁹⁴ Ibid. p. 33 and 46.

- “Charlie” Trie has contributed a large sum of money, some of which came from potentially illegal foreign sources, possibly including a foreign criminal.
- Huang, Trie and Maria Hsia arranged the President and Vice President to meet, privately or in small groups, with Asians nationals such as Johnny Chung, Ted Sioeng, Ng Lap Seng, Wang Jun and Eric Hotung, whose backgrounds and ties to foreign governments remain unclear.

About the “China Plan” the report, at one point, stated the majority Republican view as the following:

“[The] Committee has received ... information that high-level PRC government officials devised plans to increase China’s influence over the US political process and to be implemented by diplomatic posts in the US. Some of Beijing’s efforts appear relatively innocuous, involving learning more about Members of Congress, rebuilding PRC lobbying efforts in the US, establishing closer contacts with the US Congress.... But, the Committee has learned that Beijing expected more than simply increased lobbying from its diplomatic posts in the US. Indeed, as the Committee examined the issue in greater detail, it found a broad array of Chinese efforts designed to influence US policies and elections through, among other means, financing election campaigns.... The Committee has identified specific steps taken in furtherance of these plans. Although some of the efforts were typical, appropriate steps foreign governments take to communicate their views on United States policy, others appear illegal under US law. Among these efforts were the devising of a seeding strategy of developing viable candidates sympathetic to the PRC for future federal elections; the creation of a “Central Leading Group for US

Congressional Affairs” to coordinate Chinese lobbying efforts in this country; and PRC officials discussing financing American elections through covert means.”⁹⁵

The chapter 18 of the Committee report was devoted to this issue. But, beyond essentially reiterating the argument above, the chapter did not provide any further significant details.⁹⁶ Among others, the chapter noted the following points:

“It is important to understand that there is no consensus among the [US intelligence] agencies concerning where the [China] plan ends and ... [the related] PRC activities in this country begin.”⁹⁷

“While the Committee still cannot determine conclusively whether the PRC funded, directed or encouraged the illegal contributions in question, all of the information related herein, taken together, constitutes strong circumstantial evidence that the PRC government was involved.”⁹⁸

To this view, the minority Democrats noted, in the report, the following points.

On the China Plan:

“Although the evidence presented to the Committee supports the conclusion that the plan was implemented in a number of ways, there was ultimately insufficient evidence presented to the Committee to show that the plan involved the Chinese

⁹⁵ Ibid. p. 47.

⁹⁶ See *ibid.* p. 2501-15.

⁹⁷ Ibid. p. 2509.

⁹⁸ Ibid. p. 2510.

government making contributions to the presidential campaign, let alone that any Chinese money had actually made its way into any federal campaign, presidential or congressional. Based on the information available to the Committee to date, the China plan was found to be of minimal significance.”⁹⁹

About John Huang:

“Some members of the Committee viewed Huang as a potential espionage agent, and spent considerable time attempting to establish that he relayed classified information to his former employer, the Lippo Group, or to the Chinese government when he was employed by the Department of Commerce. Huang offered to testify without immunity from prosecution for any acts of espionage or improper transfer of classified information. The Majority [Republicans] did not pursue this offer. The evidence before the Committee does not support the allegation that Huang served as a spy or a conduit for contributions from any foreign government, including China.”¹⁰⁰

About “Charlie” Trie:

“ The evidence before the Committee does not support the allegations that Trie was acting on behalf of a foreign government or that he was improperly attempting to influence American foreign policy. However, there can be little doubt that Trie hoped to promote his business interests by capitalizing on his earlier friendship with President Clinton.”¹⁰¹

On the “foreign money” issue:

⁹⁹ Ibid. p. 4566.

¹⁰⁰ Ibid. p. 4567.

¹⁰¹ Ibid.

“While the [examples in the Committee report] clearly show that foreign money is a problem in the political process, the dimensions of the problem must be kept in perspective. It should be noted that the amount of foreign money that made its way into the election campaigns was a small fraction of the total amount of money contributed and the amount of the contributions received.”¹⁰²

At the end, the Senate Governmental Affairs Committee’s investigation did not find conclusive evidence for what the Americans feared most, foreign money channeled into the American election and to the US policy makers and used to influence the election and policy making process against the American national interests. In fact, the failure to find clear evidence after a long and highly publicized investigation supports the point that the common public suspicion on foreign lobbying is often groundless.

C. Strategies for Foreign Lobbying in the United States

The case of the Asian money scandal only highlights the argument of section A that—under the sets of rules and incentives that are different from those of domestic lobbying—foreign interests have limited means to achieve their objectives. Accepting the given limits and restrictions, however, there are different strategies that may be devised for different purposes and circumstances.

¹⁰² Ibid. p. 4568.

In 1988, Chung-In Moon observed the set of strategies available for foreign lobbying, as shown in the Table 9 below.¹⁰³ Two points need to be noted. First, the choice among the four approaches depends on the nature of an issue in question and the specific policy making stage within which the issue lies. When a minor regulatory change is the objective and no US interest group is affected either positively or negatively, only the “bureaucratic approach” may suffice. When a major decision making, such as a designation for unfair trade practices under Super 301, has already passed beyond the jurisdictions of assistant and deputy secretaries and reached the Cabinet, a clear explanation conveyed to the top decision makers (the “power approach”) on how such designation could hurt “US” national interest would make sense.

Second, with regard to most of the major issues, the combination of all four approaches would work best, even though, as noted, the emphasis for each approach will vary over the course of issue development and US decision making process. In pursuing the four-track combination approach, a key to success is to clearly identify the interests of the “US groups” that are to be contacted and to relate properly the issue to those specific interests identified. When there are no US domestic groups with solid interests to be shared, a foreign interest group will have a great difficulty in advancing its position, whatever the issue is. The next section includes—after a few key

¹⁰³ As noted earlier, both the preliminary and the main researches in this study found a strong possibility that a centralized domestic political system may favor the so-called “power approach” (and perhaps the “bureaucratic approach”) shown in the Table 9, because that is what the foreigners from such countries understand most readily and feel most comfortable with. In contrast, those countries with long tradition of pluralism at home and

initial points—the cases that show different combinations of these various strategies.

Table 9. Strategies of Foreign lobbying in the United States

Strategies	Targets	Mediums	Resources	Tactics
Power Approach	top decision makers of executive and legislative branches	Power brokers, influence peddlers, PR firms, law firms and consultants	Access to political power and vital information, revolving door connections	Personal contact and persuasion, intermediation, public relations
Technocratic Approach	middle-level decision makers of executive and legislative branches, media interest groups	Lawyers, technical consultants	Legal and technical expertise, revolving-door contacts	early warning of policy trends, administrative intervention and persuasion, litigation, legal loopholes, advising indirect lobbying
Coalition Building Approach	top and middle-level decision makers, media interest groups	Public and private interest groups, mobilized by mutual interests, often through the involvement of lawyers and consultants	Alliance formation through purchasing power, corporate constituents, and other mutual interests	issue linkage, grassroots mobilization, policy intervention and persuasion
Grassroots Mobilization Approach	legislative branch, media	Public and private interest groups, mobilized by mutual interests, often through the involvement of lawyers and consultants	Constituency influence and pressure (based on ethnicity, purchasing power, employment, etc.)	Letter writing, voting record, personal contacts, protest

Adopted from Chung-In Moon, “Complex Interdependence and Transnational Lobbying: South Korea in the United States,” *International Studies Quarterly* 32 (1988), p. 69.

familiarity with the US political system would try the “coalition building approach” and the “grassroots mobilization approach.”

D. Successes and Failures of Foreign Lobbying in the United States:
Cases

In discussing successes and failures of foreign lobbying, we immediately run into a measurement problem: How do we measure success in foreign lobbying? It is highly likely that details of some of the most successful foreign lobbies—especially advocacy lobbies—may not be revealed. Even with regard to the widely publicized efforts, the processes through which the efforts produce results are rarely known, except to the people who are directly involved in the processes. Also there is a possibility of bias. Almost every one involved in a successful case may want to claim credit, while in a unsuccessful case the effort for lobbying itself may be denied. In any case, in order to discuss successes and failures of lobbying, we can rely only upon whatever the information is available from the cases where the lobbying efforts have been publicized. For these reasons, it will remain difficult to produce a scientific study on effectiveness of—either foreign or domestic—lobbying.

What brings success or failure in foreign lobbying in the United States? An answer will depend on the nature of an issue, the country in question, as well as the organization of the country that is represented in each case. However, a few general points may be mentioned. These points include; a large community of government and private sector policy makers who share good understanding of Washington, clear objectives assigned to and proactive management of the hired lobbying firms, and efforts to link issues to the specific interests of the constituents for US politicians (e.g. American voters and corporations).

With regard to the shared understanding among policy makers, two points need to be noted. First, on the individual level, acquiring good understanding of Washington is a challenging task for a foreigner. It requires, as a prerequisite, good understanding of a wide range of cultural subtleties of the US as a whole and also of Washington as a set of culture that is distinct from the country. Many people in different countries are led to believe that they have enough knowledge of how Washington operates. But, for most of them, the understanding is based on what they read and were taught without sufficient level of direct exposure. When it comes to foreign lobbying in the US, such indirectly acquired knowledge of foreign individuals is often insufficient to produce specific and tangible actions and results, even with the help of top Washington firms.

Secondly, beyond the individual level, producing specific and tangible results of foreign lobbying in the US requires a community of decision makers, back at home, sharing good understanding of Washington. That is a major challenge, considering the aforementioned challenge in the individual level. Nonetheless, since a case of foreign lobbying usually requires sustained funding and attention, organizational support at home is critical. Attention from a few well-educated individuals by itself is not enough.

The Washington embassy of a particular country often reflects the overall level of understanding of the US of that particular country. Activities of embassies are not subject to foreign agents' reporting requirements. This is due to a variety of reasons including the international norm respecting confidentiality of diplomatic missions. However, embassies in Washington carry out various efforts to advance its national interests. In a proposed lobbying cases, the embassy may play important roles of conveying official

messages to the US authority on specific issues and feel the atmosphere among the US decision makers before one of its interest group represented takes the first step of lobbying. It will be generally difficult to expect a case of successful lobbying from a country; 1) when its embassy is unable to produce and present effective positions and arguments to reach beyond the Executive Branch and to the Congress and the US public in the first place, 2) if it does not understand the US lobbying mechanism, or 3) it is incapable of putting its understanding into practice. Until recently, the Embassy of the People's Republic of China has been often viewed as having at least some of these problems

The next issue is about management of lobbying firms. With little exception, countries hire Washington lobbying firms for a variety of purposes. But, it is believed that a large number of firms hired—along with a long time and a large amount of money invested in those contracts—do not necessarily guarantee successful outcomes. Successful outcomes result from successful management of project by the clients. Success in managing a lobbying project depends on many factors. One that stands out is whether the client has the clear idea of the objective to be achieved. If a client relies upon a firm for ideas as well actions, the cost will be considerable high and there will be little guarantee that tangible results will be materialized.

The last issue is about connecting with the US voters. Precisely because the US law imposes restrictions upon the scope of foreign lobbying activities, foreign advocacy lobbying in particular is always most effective

when it wins sympathy and support of American voters or interest groups.¹⁰⁴ Undeniably, US government officials and lawmakers are first and foremost sensitive to the demands of their own domestic constituents. Therefore the chance for success in advocacy lobby improves significantly when foreign interests identify the coinciding interests of US domestic groups, educate the groups for the interests at stake and let the US groups to act.

The following discussions of foreign-related advocacy cases and the activities of some of the major countries should help further highlight the three points raised so far.

China and “New China Lobby” by the US Private Sector

Lobbying by and on behalf of China tends to be dominated by the annual Congressional renewal of China’s trading status as the “most favored nation” (MFN). The MFN question has occupied the center of US-China relations, since all other issues (e.g. human rights, proliferation of weapons of mass destruction, etc.) are reviewed together in conjunction with the MFN debate. It is generally believed that the US business community itself has probably spent more on this annual ritual of China MFN renewal debate than it has on any other issues. The reason for the need of this feverish lobbying effort by US businesses is simple. As China has many supporters among US businesses, it has as many enemies among US social issues groups. The lobby these issue groups carry out is called the “Reverse China Lobby.” Even within the business community, there are groups that do not

¹⁰⁴ This relates to the point repeatedly made in this study regarding the old and new China Lobby.

want automatic renewal of MFN. Such business groups are found, for instance, among the industries dependent upon intellectual property rights. In addition to the reverse-China lobby groups, the persistent existence of contentious issues such as human rights, democracy, weapons proliferation, etc. make the annual MFN lobby very expensive for the US businesses that want a permanent MFN for China.

What role does China play in this? In comparison with other major embassies, the PRC's Washington Embassy has maintained low profile in Washington. There have few outreach efforts or formal coordination of MFN coalition, even though the Chinese officials do talk informally with the representatives of US businesses about the MFN renewal. The Chinese government is not known for skillful handling of the US Congress. The size of the Congressional Affairs staff has been increased since recent criticism of weak congressional relations. The result of this change is yet to be seen. The Embassy has shad a long contract with one of Washington's major law-lobbying firms. But the firm's activities seem to have been mostly legislative monitoring and analysis, and maybe very few, if any, advocacy lobbies.

While the Chinese maintain low profile in direct advocacy lobbying, it has been generally believed that the Chinese government has exercised pressure over US firms discreetly but effectively using the access to its vast market as a leverage. The Chinese government seems to have made it often clear that the interest of US companies investing in China may be adversely affected, should its MFN status is revoked. Such threat would be all the more credible for two reasons: First, the socialist government exercises enormous power over its highly regulated economy. Secondly, intense

international competition over the Chinese market gives China readily available alternatives to US suppliers of investment capital, technology, and products, such as those from Europe. The Chinese efforts do not end with threats. Sometimes, they use the highly controlled and already gigantic economic power to offer positive incentives. For instance, before the 1993 MFN decision in the US, China dispatched a large scale buying mission to the US. The mission signed more than a billion dollar worth of contracts for buying airplanes, cars, and oil production equipment.

With or without these threats being credible, several coalitions of US businesses are known to exist and promote causes in favor of China. An informal coalition called “China Normalization Initiative” has been in place, led by the Boeing Corporation and joined by Motorola and TRW among others. The primary purpose of this coalition is to establish China’s permanent MFN status. With this goal in mind, the coalition has been also known to lead MFN renewal efforts every year. The members of the coalition have staged grassroots mobilization efforts through contacting related suppliers in each base region. For instance, Boeing covered the state of Washington, while Motorola and TRW covered California and Texas respectively. Another organization “US-China Education Foundation” was created under the leadership of Boeing. The organization has run a major PR effort orchestrated by one of top US PR firms it hired. The effort extended to state level pro-MFN coalitions.

The US-China Business Council and the Emergency Committee for American Trade have formed a large business coalition promoting the causes of annual MFN renewal and permanent MFN status for China. The coalition includes about 1,000 companies and works with major US trade

associations such as US Chamber of Commerce, National Association of Manufacturers, National Foreign Trade Council, National Retail Federation and the Business Roundtable. This coalition is believed to be coordinating advocacy lobby targeting congressional members and PR campaigns for general public.

US business' efforts to advocate the commercial engagement with China have extended beyond forming these coalitions. Companies and their representative organizations have hired one time or another many renowned former US foreign policy makers, such as Henry Kissinger, Alexander Haig, Lawrence Eagleburger, etc. and have had them speak for the cause of the engagement.

The point made earlier still remains. The "New China Lobby" is a US domestic lobby, where domestic groups act because they see specific and tangible gains (or losses). It should be noted that these US companies do not work to improve China's overall image, which is another equally urgent problem for China. US companies work on Chinese MFN, because it is their self-interest to do so. Foreign interests sometimes have initial leverage to highlight specific gains for US groups. China has that in this case.

Lobbying by and for Israel

Israel government has hired several major lobby and PR firms to advance its causes. A few private companies and organizations of Israel also have hired similar firms. The areas of Israeli interests are broad including ensuring continued foreign aid to Israel, and economic and technological cooperation and exchange with the United States. However, this study has

found that the reported size of the official representation does not fully match the US public perception of Israel as the source of the most powerful foreign lobbying in the US. In fact, the root of the public perception lies in the unique situation where powerful US-domestic pro-Israel groups play key roles, which other countries can not easily imitate.

Israel has the US Jewish community, potentially an unparalleled asset for lobbying in the United States. Theoretically, the country is capable of carrying out perhaps the most powerful lobbying to the US government, based on the political power of the American Jews. But, that is only when the American Jewish community agrees with the position of the Israeli state and feels strong enough about it. The limitations imposed by this situation are as clear as its advantages.

To begin with, it is important to note that the power relationship of the Israeli state and the American Jewish community is very unique. While other foreign governments have proactively sought—or hoped—ways to encourage the US minorities of the shared origin to work for them; in the case of Israel, it was historically the American Jewish community that has been more proactive in defining the direction and the agenda. This has to do with the fact that the Israeli state is much younger than the American Jewish community. When the Israeli state was created in 1948, it was the Israelis who were the “new” Jewish community, struggling to survive in a hostile environment. Other Jewish communities around the world, including that in the United States, had had much longer experience in the effort to survive. Therefore, the American Jews in particular, cared deeply about the survival of this new state, which was extremely poor and dependent upon foreign aids. Under these circumstances, donations from American Jews during the

early period accounted for one quarter of the new state's budget. Together with this enormous assistance, the American Jews created during the early 1950s an organization called the American Israel Public Affairs Committee (AIPAC) devoted to political lobbying and advancing agenda that—they believed—served to strengthen US-Israeli relations.

AIPAC's operation has been exceptionally effective and successful. The group has been accepted as a mainstream US domestic political organization. AIPAC demonstrated effective skills for advocacy, based on active voter mobilization and direct political contributions from its members to political candidates.¹⁰⁵ AIPAC's 55,000 members include many pro-Israel fund raisers. There are about 45 pro-Israel political action committees (PACs) most of whose members belong to AIPAC. Former AIPAC officials serve in Democratic National Committee and work for the Speaker of the House. The majority of US congressional members are expected to appear in AIPAC annual meetings. Vice President Al Gore, UN Ambassador Bill Richardson, Under Secretary of State Stuart Eizenstadt, House leaders such as Gingrich and Gephardt spoke at the recent annual meeting.

With this firm root in the US politics AIPAC remained a US interest group rather than the arm of the Israeli government. AIPAC has maintained conservative and kept closer ties to the Likud Party of Israel. As the Labor Party led by Yitzhak Rabin came into power and started the Middle East Peace Process, AIPAC had to stand on sidelines as Rabin maintained a

¹⁰⁵ AIPAC has claimed that it is not a political action committee (PAC). In 1990 review, Federal Election Commission confirmed it. However, in 1996 the US Court of Appeals declared the review an error, forcing FEC to reopen the AIPAC case. If named as a PAC, AIPAC will have to disclose details of its fund raising and campaign expenditures.

direct and unusually close relationship with the White House. With its direct involvement drastically reduced, AIPAC's response to the Middle East Peace Process and its relationship with the Israeli government remained tenuous at best, and the organization searched for a different agenda to work on independently such as supporting Senator D'Amato's Iran-Libya Sanction Act. With the successful enactment of the law and the assassination of Rabin, AIPAC has been expected return to the center stage of Israel-US interaction. But the future of this American political group remains uncertain, as the stated position of the Israel's Likud government and the actions of AIPAC continued to show signs of disagreement, even on such basic issues of US aid to Israel.

Japanese Lobbying Operations in Washington

Japan has had enormous interests in maintaining good bilateral relationship with the United States, as its security guarantor and the most important market for its goods. For that reason, Japan has sought—not always successfully however—to engage in pro-active and sophisticated lobbying effort to the US government. Since the security side of the relationship has been managed mainly through official government-to-government interaction, the lobbying effort—the unparalleledly largest size among all countries—has focused mainly on economic issues as the data of this study have demonstrated. The Japanese government itself has hired a large number of major law, lobbying, consulting and PR firms, as do the numerous Japanese companies. Also, major local governments such as those of Tokyo, Osaka, Kyoto, Fukui, and Hokkaido hire such US firms to

promote trade and tourism. The Japanese External Trade Organization (JETRO) is engaged in coordinating the trade promotion efforts by these various entities. The Japanese central government has exerted remarkable efforts to improve US understanding of its culture and society. Such efforts include the support for the Japan Information and Culture Center (JICC) in Washington. Strategically located in the center of Washington's major US media organizations, JICC provides informational and cultural events and material to the US public.

Virtually all major Japanese corporations, such as Sony, Toyota, Nissan, Toshiba and NTT, hire many of the most prominent US lobbying firms. Their spending level is the top among all the countries. The regressions of this study showed that their level of spending is exceptionally high, always far out, away from the cluster of other countries. The multivariate regressions show that being an extreme outlier, Japan's exceptionally high level of spending can not fully explained by any of combination of the variables chosen. For example, frequency of bilateral trade issues being raised, volume of trade, size of the economy, or even the trade balance could not fully account for the magnitude of the high spending level. In addition to the factors measured in this study, such as bilateral trade imbalance with the US, the attention the bilateral US-Japan trade relationship was attracting and the ensuing surge of trade conflicts; there must have been immeasurable factors. They may include the degree to which the Japanese felt they were misunderstood by the US and the degree of cultural frustration that the Japanese felt when they tried to explain their position to the US public. Another factor may have to do with the fact that the Japanese have often aimed hiring the most expensive lobbyists. Three

former United States Trade Representatives have been hired to represent the Japanese corporations: Robert Strauss (Fujitsu), William Brock (Toyota), and William Eberle (Nissan).

Whatever the explanation for the high Japanese spending level may be, there is one thing the level of spending indicates: The Japanese have fully recognized the importance of US domestic public opinion in connection with US policy towards Japan. Especially the US public's growing concern over the increasing Japanese investment in the US during the late 1980s and the early 1990s must have played a critical role in increasing the Japanese grassroots outreach efforts. In fact, many different cases of Japanese efforts highlighting the benefits of the Japanese investment in terms of job creation and economic growth began to attract public attention around this period. The Japanese auto makers have been particularly active in this regard, trying to convince the US public that the Japanese cars made in the United States were American products produced by American workers. Along with the efforts by the firms, various business organizations—such as the Japanese Automobile Manufacturers Association—that represent these firms also have hired major US lobbying firms and exerted similar efforts.

Cases of Japan's Success: the Fuji-Kodak case and the 1995 US-Japan auto dispute

A success in foreign lobbying in the US may be defined as that in preventing the US government from taking an adversary action with regard to a specific country. With that definition being accepted, Japan—despite the exceptionally high level of spending for lobbying—has not often been regarded as being very successful in trying to persuade the US of its

positions in trade dispute cases. But, two cases stand out where Japan exerted all-out efforts and was regarded as relatively successful—not in terms of the aforementioned definition but simply—in minimizing the US offensive. They were the Fuji-Kodak dispute and the 1995 US-Japan auto cases.

i) Fuji-Kodak case

In December 1997, the World Trade Organization (WTO) has raised Fuji's hand over Kodak regarding the long running dispute between the two companies, determining that the case did not stand. This was a dispute not just between the two companies, but also involving the two countries, the United State and Japan. From before the dispute had reached WTO and ever since the case began to be fought out inside the United States, Fuji had launched a large scale public relations campaign refuting Eastman-Kodak's claim that Fuji (and Japan) have limited foreign access to Japan's photographic film market. This case marked an interesting contrast with the 1995 auto case, in that the level of US public attention was much lower in this film case than the auto case to be discussed later. But, regardless of this low level of public attention, Fuji mounted perhaps the largest public relations battle ever recorded so far in international trade dispute cases. The amount of efforts Kodak put into this case was also monumental and perhaps had an escalating effect on Fuji response. Nonetheless, it is generally regarded that—even though Fuji did not succeeded in minimizing Kodak's offensive—the Japanese company outdid the American company in making its case the public of the US and to WTO.

Fuji hired top Washington firms, in all three areas of support needed in trade cases; legal counseling, public relations, and advocacy lobbying. The

PR company hired has long boasted the Fuji case as one of its best credentials. Thanks in part to the PR company's support, Fuji maintained a very vigorous media profile. The film company placed full-page advertisements in major US newspapers, refuting Kodak's allegations and highlighting Kodak's alleged lack of marketing efforts in Japan. In addition to the efforts toward the general public, Fuji also targeted key congressional members. They sent them cards signed by, and the pictures of, the American workers of Fuji production facilities within each member's districts, emphasizing its job creation in America and weaknesses of Kodak's arguments. It is generally viewed that these efforts raised doubts on—and indifference to—Kodak's position within the US, before the case went to WTO.

ii) 1995 US-Japan Auto Dispute

In 1995, the United States and Japan narrowly averted an all-out trade war over the issue of US access to the Japanese auto and auto parts markets. The United States had insisted on establishing quantitative targets with Japanese commitment. Facing the Japanese refusal, the US government had even announced the list of Japanese cars to be affected by the resultant US sanction. With the sanction deadline approaching, the two countries agreed to end the dispute with Japanese commitment to take voluntary actions without quantitative targets. During this incident, Japan waged a large scale lobbying campaign addressing to the US general public and policy makers.

At the time of the auto dispute, Japanese government and corporations hired about 70 lobbying firms. The government alone had more than 30 such US firms working on advocacy lobbying, public relations and legal counseling. The Ministry of International Trade and Industry (MITI) led the

government side efforts together with the assistance from JETRO. The goal of the Japanese campaign was to counter the US claim that serious trade barriers existed in Japan and acted as significant impediments to US auto exports to Japan. Japan hammered away two main points in their messages: First, the Japanese automobile market was already open. Second, a new bilateral agreement was ineffective, if reached under the threat of a sanction. Using press conferences and written statements, Japan emphasized the lack of US auto makers efforts for marketing in Japan. The most often mentioned example was the lack of right-hand drive models. The Japanese also aggressively used data and numbers, countering the numbers presented by the US side. They emphasized fact that there has been a consistent growth in the number of US cars sold in the United States since the mid 1980s. The message was actively disseminated and became well-known and widely recognized—therefore effective—when repeated consistently.

Japanese auto makers waged a public relations campaign as active as—if not more than—that of the government. The Japan Automobile Manufacturers Association (JAMA) and Keidanren, the largest industry association of Japan, worked closely with the companies. The private sector led campaign carried an essentially same message as its government counterpart. But, the campaign was supported by a significant resource unmatched by any. It was their production basis inside the US. Toyota, Nissan and Honda released media releases highlighting the number of jobs they created in Kentucky and Ohio. They highlighted the importance of bilateral trade relationship and the potential harm the US trade sanctions could bring to the US consumers. Japanese auto makers worked closely with the American Automobile Dealers Association (AIADA), organizing US

domestic support. Representing over 10 thousand auto dealers marketing foreign brand vehicles, AIADA disseminated series of position papers warning that a US trade sanction would hurt over two thousand US auto dealers selling Japanese cars and threaten the job security of their 81 thousand employees. These domestic groups exerted a significant pressure for the Administration in taking its final position.

These campaigns by the Japanese auto makers, their US domestic supporters and the Japanese government resulted in Japan's achieving its original objective; avoiding quantitative targets for market access. The agreement called for building even more Japanese production facilities in the United States. These campaigns without an exception required significant financial resource, since almost every one of them was designed, organized and carried out by the public relations and lobbying professionals. This was a case of exemplary success for professionally managed public relations campaign representing foreign interest.

Taiwan's cases of success

Taiwan is one of a few countries whose Washington operation is generally viewed as successful. The key reasons for this success are; firm focus on a few key objectives, allying with a few key individuals and organizations to advance the objectives, proactively using the alliances to convey its message to key policymakers.

It is generally viewed that Taiwan has maintained its focus firmly on a few clearly defined objectives. The goals are making US take occasional

symbolic actions of political recognition, continuation of bilateral trade and military support. This small number of clear objectives made it possible for Taiwan to establish and carry out effective strategies for achieving those objectives. Also, the small number of clear goals produced a set of short and unambiguous messages. They were easy to repeat and to convey effectively to key policy makers in Washington. Taiwan formed and utilized strong ties with human rights groups, members of the Congressional and state governments, and several US business groups. Taiwan took full advantage of mutual interests with these groups depending on the issues. Taiwan has been highly proactive in seizing the opportunity to advance the specific goals when situations arose.

In 1989, immediately following the Tiananmen Square crackdown, Taiwan contacted human rights groups in the United States, urging for an action. It ran advertisements in several major newspapers, in alliance with the human rights groups decrying the Tiananmen situation. These endeavors allowed Taiwan to take full advantage of the situation and enhanced Taiwan's position vis-a-vis China in terms of political recognition. In 1995, Taiwan wanted have its president, Lee Teng-Hui, attend the 50th reunion at Cornell University as a political action symbolizing to overcome China's insistence for non-recognition of Taiwan. In order to do so, Taiwan hired a number of top Washington representatives. They then contacted conservative Congressional staff members who were skeptical of the US's One China Policy. The staff members worked hard to build wider range of support in both chambers. Eventually the both chambers passed a resolution calling for granting visa to Lee. When Lee visited the United States, extensive media coverage of his visit highlighted the Taiwanese success in

destabilizing the administration's One China Policy. Taiwan carried out a similar effort to mobilize support in the Congress, when China had a military demonstration during Taiwan's election in 1996. The Congress again passed a resolution issuing a warning for US military response against any further show of force by China.

Taiwan has also worked hard to build ties with the Congress and state governments, through privately funded trips to Taiwan. Congressional staffs' fact-finding trips are common on Capitol Hill, but among the congressional staffs the Taiwan trips are known as the best deals in terms of the attention to details and treatment of the visitors during the trip. The same applies to the state government officials visit to Taiwan. President Bill Clinton is known to have visited Taiwan four times and never visited China before he became the President. Many people noticed the apparent good feeling toward Taiwan during the first term of the Clinton administration. For a specific example in addition to the uneasiness in overall relationship with Beijing, Taiwanese government officials were allowed in 1996 to visit their counterparts in most US government agencies for the first time since 1979. The Taiwanese efforts to cultivate relationship with the US state governments resulted in 23 states and 107 US cities forming various forms of official trade ties with Taiwan.

**General Lessons: How to Improve Foreign Lobbying in—and
Transnational Communication with—the United States**

i) Money does not buy influence in foreign lobbying

US citizens and foreigners together share the view that lobbying is an action of “buying” influence and that the same applies to foreign lobbying.¹⁰⁶ One of the key points of this study is that, as repeatedly emphasized, such is not the case. First of all, lobbying is an act of communication. That is what all the US domestic industry associations’ office in Washington are engaged in most of the time. They spend most of their time and other resources producing their positions on various issues and conveying them to the policy makers.

In domestic lobbying, however, money may sometimes buy influence by way of campaign and political contributions. In contrast, as referred repeatedly earlier, that is prohibited in the case of foreign lobbying. Under such circumstance, it is not only impossible to buy influence through money but also it is extremely risky to try to do so.

What about spending for foreign lobbying and representation? The bottom line is that the money spent shows the amount of efforts put in to deal with issues. More efforts through representation will increase the chances for specific views heard. But, the size of money itself can not guarantee the success of efforts, as the previous section discussed. The following are the important factors for successful lobbying in the United States.

¹⁰⁶ See Choate, Prestowitz and Tolchin in fn. 8.

ii) There has to be a long-term strategy, coherent and consistent

Israel and Taiwan, as discussed above, have had clear and consistent goals, which made them stand out as successful case. When there is a simple message repeated coherently, the change for success is high. Of course, being able to produce such message depends in significant part on the situation a country faces. It is easier for a country to do so, when there is an overriding security concern such as the cases of Taiwan and Israel. For the countries with top priorities mainly in economic dimensions, it is more difficult to do so. It is because issues often differ in nature and the issues may be in competition with one another. Thus, the messages will have to be tailored differently each time. The case of Japan may belong to such category. However, two points need emphasized. First, even in the case of various issues in competition for attention and resources, overall coordination of a country's messages should be sought—to the extent it is possible—in order to minimize the cases of messages canceling each other off. Secondly, even when there are different messages, important ones need to be repeated consistently. This is difficult since doing so requires resources. As this study demonstrates as a key point, most foreign lobbying and representation occurs *ex-post*. Effective lobbying efforts are preventive ones. Consistent attention makes preventive efforts possible.

iii) Key is to be heard, not to manipulate

Many people share the perception that lobbying is an effort to buy off or manipulate/deceive the targeted audience. The previous part has argued that the buying off is not the case. It is neither the case of manipulation or deception. The winners in lobbying—both foreign and domestic—often the winners are the ones who conveyed their straight forward messages most

clearly and repeatedly. Manipulative and deceptive tactics are usually unrewarding, at best, counterproductive and disastrous at worst.

iv) Highlight mutual interests

Direct opposition or confrontation can not easily produce any results. To persuade the party listening, one needs to highlight the points where mutual interests overlap. It is always more effective to begin any issue campaign, keeping in mind the mutual interests shared with the targeted audience, rather than the points in opposition with the audience. Especially in foreign lobbying it is important to seek US domestic groups that share same interests. One case in point was Japan's auto dispute with the United States where the country highlighted the mutual benefit of stable and uninterrupted trade relationship and mobilized the support of auto dealers that sold Japanese import cars.

v) Link with domestic voters, if possible

In seeking the US domestic groups that share mutual interests, it is best to look for groups that can exercise direct influence on specific policy makers through votes. In that regard, foreign businesses with investment in the US—especially in the form of production sites with large employment—can enjoy clear advantage, because the size of local employment can directly translate into votes. Near the end of the 1995 auto dispute, when the US announced trade sanctions, the targets of sanctions included the Japanese cars produced inside Japan and not the ones produced locally in the United States. In the times of no salient issues, it is important to continuously emphasize job and tax revenue creation by the local production and various public services the local production provides. Having a sympathetic ethnic

group provides similar advantage, as long as the relationship with the group is well maintained. The Israel's example is a case in point.

While having US local production or supportive ethnic groups offer best advantage, when there are no such resources available, a country still has to address their positions in terms of mutual interests shared with key constituents for the directly involved policy makers.

vi) Do not overlook the Congress

For foreigners, the most difficult Washington political institution to understand is the US Congress. Therefore, quite easily, many foreign representatives in Washington shun from the Capitol Hill, even when they face issues directly involving the Congress. A famous such case has been China. Two common problems call for attention.

First, foreigners often have hard time understanding how the Congress is involved in a particular issue, for instance, at what point of a particular process the Congress can enter or exercise influence officially and unofficially. Without clear knowledge of this, it will be difficult to prepare for dealing with the Congress. Professionals in foreign representation try hard to educate their foreign clients, but they often acknowledge the difficulty in doing so.

Second, foreigners often forget to consider how the Congress or its individual members can exercise influence even over the issues that seem to have little to do with the Capitol Hill. Foreign representatives face many restrictions in providing Congressional members with incentives (i.e. no votes, no campaign contributions, etc.) But, even an adequate acquaintance

with Congressional members and/or their staffs can make a big difference. Countries such as Israel and Taiwan work on such relationships on the Capitol Hill and utilize the ties on other seemingly unrelated issues.

IX. SUMMARY

This study has sought to explain why foreign countries are engaged in foreign lobbying in the U.S in the ways they are. This study has generated data sets, showing widely varying country differences of foreign lobbying in the United States. In explaining the country differences, the study has produced five major findings. 1) Most importantly—assuming *ceteris paribus*—the more frequently bilateral issues are raised in the United States about a specific country, the more time and money that country will spend to lobby in the United States. 2) The more knowledge the general public of a country has about the United States, the more active that country's advocacy lobbying to the US Congress will be. 3) The wealthier the country is, the more it will focus on advocacy lobbying to the Congress. 4) The more pluralistic a country is, the more active it will engage in trade lobbying. 5) The more similar a country's business practices are to American business practices, the more that country will be engaged in active advocacy lobbying to the US Congress and overall trade lobbying.

To illustrate the most important of the five—point 1) above—the research has found that issue salience—how often a specific country is mentioned in the US media—has the most influence in determining how active a country becomes in foreign lobbying in the United States—when measured in terms of foreign lobbying expenditures. Simply put, countries spend money in foreign lobbying, first and foremost, when issues about them become highly—and often negatively—publicized. Therefore, the issue-driven **“Reaction Model”** works best in explaining—and even

predicting—country behavior in foreign lobbying in the US.¹⁰⁷ At the same time, it is worth noting the indications that the capability-driven “Resource Model” and the norm-driven “Norms Model” matter too.

It is hoped that this study makes contributions in two dimensions. First, the study constructs and explains the overall picture of foreign lobbying in the United States, a subject area that has been widely speculated and talked about but rarely studied and poorly understood. The data obtained during the process of this research present a wide range of promising opportunities for various further analyses on foreign lobbying in the United States.

Secondly, this study employs a regression method to compare issue, capability and norm variables simultaneously in order to explain behavior of different countries. Beyond the issue areas of foreign lobbying, this methodology may be applied to explaining other behaviors of social actors (including the states), where the interplay of issues, capabilities and norms often collectively determine behavioral outcomes of those social actors.

¹⁰⁷ For the discussion of different models, see from page 19.

APPENDIX I: DETAILED DISCUSSION ON MULTIVARIATE REGRESSION OF THE CROSS- SECTIONAL DATA

1. THE DESIGN OF THE MULTIVARIATE REGRESSION MODEL

Continuing the discussion of chapter IV, Section 3, the following table of next page summarizes the entries for Y, S, C, and N. As the rows of the Tables 10.1 and 2 show, there were five equations (Y_{a1} , Y_{a2} , Y_b , Y_c , Y_d) to work with, depending on the patterns and sizes of foreign presentation.

The second column (Y) includes dependent variables that indicate patterns and sizes of different countries' Washington representation. Columns three though five (S, C, N – C_K & C_E should be counted as one column.) show the expected independent variables. **The choice of independent variables** for each corresponding dependent variable is not identical and therefore **not random**. Each independent variable was included in each equation, based on careful consideration and reasoning, which has been laid out in pages 55 through 63.

Based on the four-row breakdowns shown in the Tables 10, the following five equations (3) through (7) were used, continuing from the first two equations of chapter VI, section 3 on page 63. The size of “n” for each equation was determined, in each row of the Tables 10.1 and 10.2, by multiplying the number of variables in each of the Y, S, C, N columns.¹⁰⁸

¹⁰⁸ For instance, the “n=120” of equation (6) results from: two variables (TrdLbTotMth and TrdLbTot\$) of the Y column and the row six (Y_c) in Table 10 times three variables

Appendix I. Design and Results of the Main Regression

$$Y_{ia1} = \beta_{0ia1} + \beta_{Si}M_{a1} + \beta_{Ci}C_{a1} + \beta_{Ni}N_{a1} + \epsilon_{ia1} \quad n=12 \quad (3)$$

$$Y_{ia2} = \beta_{0ia2} + \beta_{Si}M_{a2} + \beta_{Ci}C_{a2} + \beta_{Ni}N_{a2} + \epsilon_{ia2} \quad n=20 \quad (4)$$

$$Y_{ib} = \beta_{0ib} + \beta_{Si}M_b + \beta_{Ci}C_b + \beta_{Ni}N_b + \epsilon_{ib} \quad n=20 \quad (5)$$

$$Y_{ic} = \beta_{0ic} + \beta_{Si}M_c + \beta_{Ci}C_c + \beta_{Ni}N_c + \epsilon_{ic} \quad n=120 \quad (6)$$

$$Y_{id} = \beta_{0id} + \beta_{Si}M_d + \beta_{Ci}C_d + \beta_{Ni}N_d + \epsilon_{id} \quad n=80 \quad (7)$$

The problems common to regression analyses, such as multicollinearity or simultaneous equation problems, were not seriously anticipated with this design.¹⁰⁹ Possible time lag problems between independent and dependent variables were carefully considered and dealt with. Altogether, the results of this research should be generally replicatable. And, its findings may be further tested with new Attorney General Reports covering periods after 1991, when available.

(IssFrqTrd, TrdVolUs, TrdActCas) of the S column times five variables (DplTieYrs, NwkCrtTot, FrnStdUs, GrsNtnPrd, PerCapGnp) of C column times four variables (PolAsnTot, CrpIdxRtn, PerCapCam, PrvAsnTot) of the N column.

¹⁰⁹ For problems of regression methods, see Peter Kennedy, *A Guide to Econometrics* (Cambridge, MA: MIT Press, 1987) pp. 40-44; and A. H. Studenmund and Henry J. Cassidy, *Using Econometrics: A Practical Guide* (Boston: Little, Brown & Company, 1987).

Table 10.1. Variables Table

Dependent Variables		Independent Variables			
	Y	S	C		N
	Behavior in Foreign Lobbying	Issues	Capabilities		Norms Familiarity with Plural Politics at home
			C _K) Knowledge Capabilities	C _E) Economic Capabilities	
Patterns	Y _{a1}) Focus of activities: Congress-executive branch balance in total lobby (LbTotCong/Ex)	S _{a1}) Issues Difference: Issues involving the Congress Vs. the Executive branch (IssFrqCong/IssFrqEx)	C _{a1K}) Years of diplomatic tie with the U.S. (DplTieYrs), Newsweek Magazine circulation (NwkCrtTot), Number of foreign students in the US (FrnStdUs)		N _{a1}) Number of Political Parties Per Million People (PolAsnTot), Total number of private associations at home (PrvAsnTot), Corruption Index (CrpIdxRtn), Per Capita Campaign Spending (PerCapCam)
	Y _{a2}) Congress-executive branch balance in advocacy lobby (AdvLbCong/Ex)	S _{a2}) Issues Difference: IssFrqCong/IssFrqEx, as included above	C _{a2K}) DplTieYrs, NwkCrtTot, and FrnStdUs, as included above	C _{a2E}) Gross National Product (GrsNtnPrd) and Per Capita GNP (PerCapGnp)	N _{a1}) PolAsnTot, PrvAsnTot, CrpIdxRtn, & PerCapCam as included above
	Y _b) Methods of Representation: Advocacy Lobby Vs. Information & Contact Services (AdvLb/InfCntLb)	S _b) Reasons for Action: Bilateral Issues Frequency (IssFrqGen)	C _{bK}) DplTieYrs, NwkCrtTot, and FrnStdUs, as included above	C _{bE}) GrsNtnPrd and PerCapGnp, as included above	N _b) PolAsnTot, PrvAsnTot, CrpIdxRtn, & PerCapCam as included above

Table 10.2. Variables Table (2)¹¹⁰

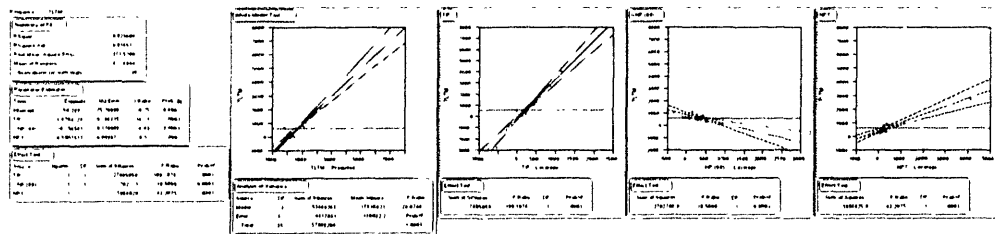
Dependent Variables		Independent Variables			
	Y	S	C		N
	Behavior in Foreign Lobbying	Issues	Capabilities		Norms
			C _K) Knowledge Capabilities	C _E) Economic Capabilities	Familiarity with Plural Politics at home
Size	Y _c) Trade Lobby: Time (TrdLbTotMth) and money (TrdLbTot\$) spent	S _c) Reasons for Action: Bilateral trade issues frequency (IssFrqTrd), Trade Volume with the US (TrdVolUs), US trade actions (TrdActCas)	C _{cK}) DplTieYrs, NwkCrtTot, and FrnStdUs, as included above	C _{cE}) GrsNtnPrd and PerCapGnp, as included above	N _c) PolAsnTot, PrvAsnTot, CrpIdxRtn, & PerCapCam as included above
	Y _d) Political Representation: Time (PolLbTotMth) and money (PolLbTot\$) invested	S _d) Reasons for Action: Non-trade issue frequency (NonTrdIss), Total aid from US (BltAidUs)	C _{dK}) DplTieYrs, NwkCrtTot, and FrnStdUs, as included above	C _{dE}) GrsNtnPrd and PerCapGnp, as included above	N _d) PolAsnTot, PrvAsnTot, CrpIdxRtn, & PerCapCam as included above

The following shows the examples of the actual regressions. The number “68” indicates that it is the 68th regression whose resulted in summarized in column no. 68 of the Table 14 shown later. TLTM is the dependent variable

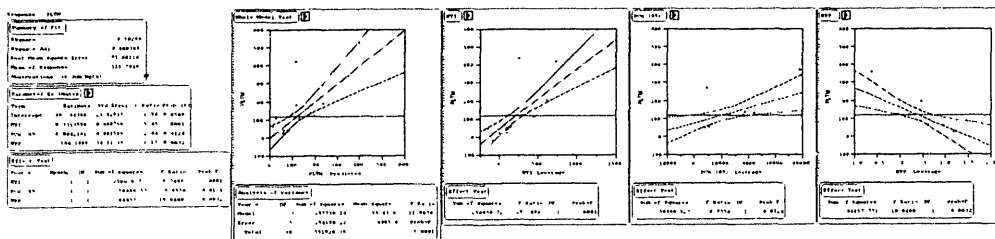
¹¹⁰ 1) See pg. 54-63 for how different variable codes denoting different independent and dependent variables. 2) For S_b above, the logic in relating IssFrqGen to AdvLb/InfCntLb was the following. Under the normal circumstances where a bilateral relationship between the US and a country was not publicized, the representatives in the US would probably be engaged in ordinary information collection and contacting building activities. On the other hand, when the bilateral relation attracted media attention, it probably meant that there were contentious issues on the table and therefore it was more likely the situation where more advocacy lobby was needed.

(“total lobbying measured in terms of total months”). Causal variables that are measured and controlled in turn are; TIF (“total issues frequency” - an issues variable), GNP (“gross national product” – a capabilities variable), and NPT (“number of private associations total” – a norms variable). The results of the multivariate regression are laid out in the boxes on the left hand side.

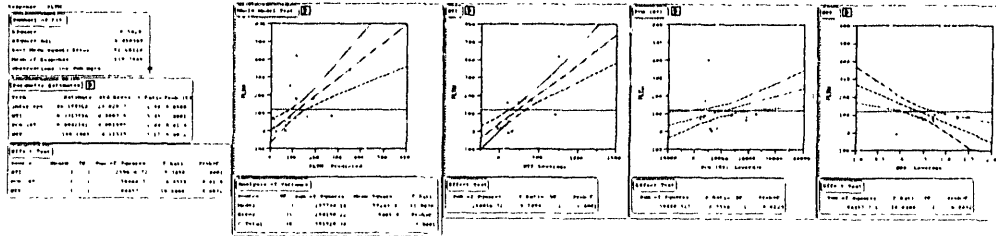
68-TrdLbTotMth(TLTM)-IssFrqTrd(TIF)-GrsNtnPrd(GNP)-
PrvAsnTot(NPT)



189-PolLbTotMth(PLTM)-NonTrdIss(NTI)-PerCapGnp(PCG)-
PolAsnTot(NPP)



229-PolLbTot\$(PLTD)-NonTrdIss(NTI)-PerCapGnp(PCG)-
PolAsnTot(NPP)



2. DETAILED RESULTS OF THE REGRESSIONS

This section presents detailed results of the multivariate regression. The most notable point is that the tables 14, 16, and 17 show the exceptional importance of issues variables and therefore the supremacy of the Reaction model. However, other findings with regard to capability variables (Resource Model) and norm variables (Norms Model) also call for attention.

In the following tables, I listed **only** those results where F ratio of the whole model or t-ratio of any of the three parameters recorded a **significance level of 90 percent or higher**. I omitted the regression with less significance, in order to simplify the large size of findings into a manageable size. I set the threshold of the significance to 90 percent, a rather high level, in order to maximize the validity of the findings.

Table 11. Congress-Executive Balance in Total Lobbying (LbTotCong/Ex)

no.		1	2	3	4	5	6
Independent Variable	Y	LbTotC ong/Ex	LbTotC ong/Ex	LbTotC ong/Ex	LbTotC ong/Ex	LbTotC ong/Ex	LbTotC ong/Ex
Dependent Variables	S	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx
	C	DplTie Yrs	DplTie Yrs	DplTie Yrs	DplTie Yrs	NwkCrt Tot	NwkCrt Tot

Appendix I. Design and Results of the Main Regression

	N	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn
Whole Model	R						
	Square						
	n size						
Estimate s	F Ratio						
	S						
	C						
T Ratios	N						
	S						
	C						
	N						
No.		7	8	9	10	11	12
Independ ent Variable	Y	LbTotC ong/Ex	LbTotC ong/Ex	LbTotC ong/Ex	LbTotC ong/Ex	LbTotC ong/Ex	LbTotC ong/Ex
Depende nt Variables	S	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx	IssFrqC ong/Iss FrqEx
	C	NwkCrt Tot	NwkCrt Tot	FrnStd Us	FrnStd Us	FrnStd Us	FrnStd Us
	N	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot
Whole Model	R			0.7	0.72		0.7
	Square						
	n size			10	9		10
Estimate s	F Ratio			*4.67	*4.36		*4.67
	S			0.75	0.32		0.81
	C			0	0		0
T Ratios	N			0.01	0.02		0
	S			1.63	0.44		1.34
	C			*2.19	*2.37		*2.27
	N			0.13	0.38		-0.13

* p<0.10, ** p<0.05, *** p<0.01

No. 9, 10 and 12 of table 11 tell us—despite their relatively small *n* sizes—that the more knowledgeable a country is about the US system—indicated by the number of foreign students studying in the US (FrnStdUs)—the more likely it is that the country would direct its foreign lobbying to the Congress rather than to the executive branch

Appendix I. Design and Results of the Main Regression

(LbTotCong/Ex). Such probability is more than 90 percent in three (no. 9, 10 and 12) out of four regressions where FrnStdUs is included.

Table 12. Congress-Executive Balance in Advocacy Lobby (AdvLbCong/Ex)

no.		13	14	15	16	17	18	19	20
Independent Variable	Y	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex
Dependent Variables	S	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx
	C	DplTieYrs	DplTieYrs	DplTieYrs	DplTieYrs	NwkCrtTot	NwkCrtTot	NwkCrtTot	NwkCrtTot
	N	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot
Whole Model	R Square		0.2			0.11	0.2		0.11
	n size		34			43	33		44
	F Ratio		*2.54			1.64	*2.42		1.76
Estimates	S		0.16			0.18	0.14		0.19
	C		0			0.01	0		0
	N		0.07			0.02	0.06		0
t Ratios	S		0.74			1.03	0.62		1.09
	C		0.03			*1.91	0.61		*1.79
	N		**2.70			0.17	*1.99		0.12
no.		21	22	23	24	25	26	27	28
Independent Variable	Y	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex
Dependent Variables	S	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx
	C	FrnStdUs	FrnStdUs	FrnStdUs	FrnStdUs	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd
	N	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot
Whole Model	R Square		0.83		0.73	0.15	0.22		
	n size		8		9	30	29		
	F Ratio		**6.71		*4.52	1.62	*2.48		
Estimates	S		-0.05		0.67	0.2	0.12		
	C		0		0	0	0		
	N		0.07		0	0.51	0.08		

Appendix I. Design and Results of the Main Regression

t Ratios	S		-0.1		1.19	0.85	0.51		
	C		2.11		*2.05	0.28	-0.61		
	N		1.61		0.24	**2.11	**2.64		
no.		29	30	31	32				
Independent Variable	Y	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex	AdvLbCong/Ex				
Dependent Variables	S	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx	IssFrqCong/IssFrqEx				
	C	PerCapGnp	PerCapGnp	PerCapGnp	PerCapGnp				
	N	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot				
Whole Model	R Square	0.14			0.14				
	n size	34			34				
	F Ratio	1.72			1.69				
Estimates	S	0.25			0.25				
	C	0			0				
	N	-0.04			0				
t Ratios	S	1.1			1.1				
	C	**2.09			**2.05				
	N	-0.32			-0.14				

* p<0.10, ** p<0.05, *** p<0.01

According to no. 29 and 32, countries with higher per capita GNP (PerCapGnp) are likely to channel more of its advocacy lobby to the Congress than to the executive branch (AdvLbCong/Ex). Such probability is more than 95 percent in those two out of four regressions where PerCapGnp is included (no. 29-32).¹¹¹

¹¹¹ There may be different possibilities for explaining this. One possible explanation is that richer countries—with higher per capital GNP—possibly have better understanding of the US system, because they may have more opportunity to interact with the United States. Whatever the reason is, it is not because advocacy to the Congress is more expensive. I calculated monthly average cost for advocacy cases. For advocacy to the Congress the cost was \$25,830.06, while the advocacy cost for the executive branch was \$33,768.67.

Countries with higher scores in the Corruption Index (CrpIdxRtn)—the “cleaner” countries—seem to focus more of their advocacy lobby to the Congress than to the executive branch (AdvLbCong/Ex). Such probability is 95 percent or higher in two cases (no. 14 and 26), and 90 percent or higher in one case (no. 18), out of total four regressions where CrpIdxRtn is included. This finding supports the possibility that those countries with high scores in the Corruption index—the “clean” countries—are more like the United States in terms of their socio-political systems. This makes sense, because the index is based on interviews with Western—mostly American—business executives about their perception of how easy it is to do a business in different countries.

When the Newsweek Magazine’s circulation (NwkCrtTot) was chosen as a variable measuring the knowledge about the United States, it was expected that the higher the NwkCrtTot measurement for a country, the more likely it is that the country would be savvy in Washington lobbying. According to no. 17 and 20, higher NwkCrtTot is indeed found to be related to more advocacy lobby to the Congress than to the executive branch (AdvLbCong/Ex). Such probability is 90 percent or higher in those two out of four cases where NwkCrtTot is considered.

Table 13. Advocacy Lobby Vs. Information and Contact Lobby(AdvLb/InfCntLb)

no.		33	34	35	36	37	38	39	40	41	42
Independent Variable	Y	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb
Dependent Variables	S	IssFrq Gen	IssFrq Gen	IssFrq Gen	IssFrq Gen	IssFrq Gen	IssFrq Gen	IssFrq Gen	IssFrq Gen	IssFrq Gen	IssFrq Gen
	C	DplTie Yrs	DplTie Yrs	DplTie Yrs	DplTie Yrs	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	FrnStd Us	FrnStd Us
	N	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn

Appendix I. Design and Results of the Main Regression

Whole Model	Rsquare										
	n size										
	F Ratio										
Estimates	S										
	C										
	N										
t Ratios	S										
	C										
	N										
no.		43	44	45	46	47	48	49	50	51	52
Independent Variable	Y	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb	AdvLb/InfCntLb
Dependent Variables	S	IssFrqGen	IssFrqGen	IssFrqGen	IssFrqGen	IssFrqGen	IssFrqGen	IssFrqGen	IssFrqGen	IssFrqGen	IssFrqGen
	C	FrnStdUs	FrnStdUs	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	PerCapGnp	PerCapGnp	PerCapGnp	PerCapGnp
	N	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot
Whole Model	R Square									0.71	
	n size									10	
	F Ratio									**4.92	
Estimates	S									0	
	C									0	
	N									-0.05	
t Ratios	S									0.19	
	C									**2.93	
	N									*-1.98	

* p<0.10, ** p<0.05, *** p<0.01

As the table 13 indicates, the results of regressions with the number of advocacy lobbies divided by the number of information collection and contact assist activities (AdvLb/InfCntLb) were generally weak in comparison with other regression results. This may possibly indicate poor choice in selecting AdvLb/InfCntLb as the dependent variable (and/or IssFrqGen as an independent variable.)

Appendix I. Design and Results of the Main Regression

Table 14. Trade Lobby Measured in Months

No.		53	54	55	56	57	58	59	60	61	62
Independent Variable	Y	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth
Dependent Variables	S	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd
	C	DplTie Yrs	DplTie Yrs	DplTie Yrs	DplTie Yrs	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	FrnStd Us	FrnStd Us
	N	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn
Whole Model	R Square	0.81	0.85	0.98	0.86	0.84	0.86	0.98	0.88	0.99	0.99
	n size	50	41	10	51	50	40	9	51	11	10
	F Ratio	***66.47	***71.68	***147.74	***103.49	***86.69	***79.41	***134.12	***122.42	***268.58	***433.79
Estimates	S	2.6	2.57	2.93	2.54	2.18	2.27	2.86	2.26	2.79	2.7
	C	2.76	2.5	0.24	1.21	17.61	13.7	2.56	11.74	0.06	0.05
	N	11.26	88.63	-161.88	0.43	7.98	61.98	-157.77	0.36	31.1	57.2
t Ratios	S	***13.62	***13.91	***19.90	***16.35	***11.12	***11.01	***14.58	***13.36	***25.86	***28.10
	C	**2.13	**1.94	0.12	1.11	***4.10	***2.95	0.55	***2.98	**3.07	**3.23
	N	0.09	***2.91	-1.8	***4.47	0.07	*1.85	-1.69	***3.88	0.23	1.56
No.		63	64	65	66	67	68	69	70	71	72
Independent Variable	Y	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth
Dependent Variables	S	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd	IssFrqT rd
	C	FrnStd Us	FrnStd Us	GrnNtn Prd	GrnNtn Prd	GrnNtn Prd	GrnNtn Prd	PerCap Gnp	PerCap Gnp	PerCap Gnp	PerCap Gnp
	N	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot
Whole Model	R Square		0.99	0.82	0.87	0.99	0.92	0.89	0.89	0.98	0.93
	n size		11	35	34	7	36	39	35	10	39
	F Ratio		***284.03	***48.58	***70.33	***4645.39	***129.07	***102.16	***86.93	***164.19	***158.62
Estimates	S		2.75	3.13	2.98	3.54	3.47	2.37	2.68	2.88	2.59
	C		0.05	0.38	-0.39	-0.68	-0.75	0.03	0.01	0.01	0.01
	N		0.28	265.22	135.03	-67.69	0.59	-410.72	45.64	-160.04	0.42
t Ratios	S		***22.05	***8.47	***9.47	***52.19	***14.11	***12.57	***13.29	***19.32	***17.86
	C		**2.79	-1.53	*-1.89	***10.59	***-4.43	***3.79	0.91	0.82	*1.79
	N		0.68	0.85	***3.67	**3.46	***6.57	**2.70	0.38	*-2.06	***5.31

Appendix I. Design and Results of the Main Regression

No.		73	74	75	76	77	78	79	80	81	82
Independent Variable	Y	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth
Dependent Variables	S	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us
	C	DplTie Yrs	DplTie Yrs	DplTie Yrs	DplTie Yrs	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	FrmStd Us	FrmStd Us
	N	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn
Whole Model	R Square	0.13	0.26	0.56	0.21	0.45	0.43		0.46		
	n size	50	41	10	51	50	40		51		
	F Ratio	*2.39	***4.39	2.55	***4.34	***12.61	***9.22		***13.59		
Estimates	S	1736.12	3007.81	8183.73	1913.67	469.16	787		592.05		
	C	1.87	2.68	18.02	0.69	39.61	37.11		37.08		
	N	-322.24	149.35	694.47	0.6	-116.32	35.48		0.23		
t Ratios	S	**2.05	***2.98	**2.50	**2.41	0.69	0.72		0.87		
	C	0.67	0.93	1.37	0.26	***5.29	***3.40		***4.79		
	N	-1.26	**2.18	1.46	**2.56	-0.57	0.48		1.15		
No.		83	84	85	86	87	88	89	90	91	92
Independent Variable	Y	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth
Dependent Variables	S	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us	TrdVol Us
	C	FrmStd Us	FrmStd Us	GrsNtn Prd	GrsNtn Prd	GrsNtn Prd	GrsNtn Prd	PerCap Gnp	PerCap Gnp	PerCap Gnp	PerCap Gnp
	N	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot
Whole Model	R Square			0.6	0.69	0.93	0.61	0.59	0.48	0.63	0.5
	n size			35	34	7	36	39	35	10	39
	F Ratio			***15.79	***23.20	**14.33	***17.24	***17.41	***9.62	*3.55	***11.70
Estimates	S			3307.71	3228.71	4048.37	2965.93	2951.87	3272.22	6834.31	3124.4
	C			1.38	1.22	1.96	1.22	0.09	0.09	0.13	0.06
	N			576.37	192.79	54.83	0.3	-961.57	-97.3	350.18	0.32
t Ratios	S			***3.82	***4.41	*2.45	***3.77	***3.78	**3.41	**2.58	***3.69
	C			***5.97	***6.10	**3.84	***5.47	***6.36	**3.47	1.89	***4.29
	N			1.16	***3.37	0.16	1.54	**3.38	-0.88	0.9	1.52

Appendix I. Design and Results of the Main Regression

No.		93	94	95	96	97	98	99	100	101	102
Independent Variable	Y	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth
Dependent Variables	S	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas
	C	DplTie Yrs	DplTie Yrs	DplTie Yrs	DplTie Yrs	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	FrnStd Us	FrnStd Us
	N	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn
Whole Model	R Square	0.47	0.79				0.85			0.97	0.93
	n size	9	9				9			6	6
	F Ratio	1.53	**6.40				**10.14			**23.48	*9.46
Estimates	S	1636.3 2	1177.6				1263.5 7			2317.6	2095.7 9
	C	-7.61	0.53				-46.88			0.24	0.16
	N	3911.6 3	687.36				1318.6 1			7471.2 4	141.19
t Ratios	S	*2.07	*2.38				**3.07			**7.84	*3.63
	C	-0.51	0.06				-1.52			*3.64	1.3
	N	0.36	**2.82				**2.87			1.8	0.45
No.		103	104	105	106	107	108	109	110	111	112
Independent Variable	Y	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth	TrdLbT otMth
Dependent Variables	S	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas	TrdAct Cas
	C	FrnStd Us	FrnStd Us	GrsNtn Prd	GrsNtn Prd	GrsNtn Prd	GrsNtn Prd	PerCap Gnp	PerCap Gnp	PerCap Gnp	PerCap Gnp
	N	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot
Whole Model	R Square		0.93	0.86	0.97		0.92	0.92	0.92		0.92
	n size		6	9	9		9	9	9		9
	F Ratio		*9.72	**11.02	***71.9 1		***20.0 1	***21.7 1	***21.9 6		***20.3 7
Estimates	S		2152.7 7	-28.76	113.3		-47.18	405.39	577.34		507.44
	C		0.18	2.54	1.89		2.24	0.17	0.14		0.16
	N		1	1439.7 2	431.98		2.53	-2792. 56	173.38		0.77
t Ratios	S		**4.37	-0.05	0.48		-0.11	1.11	1.66		1.47
	C		1.67	**3.98	***6.37		***4.36	***5.70	**3.11		***4.41
	N		0.51	0.27	***4.94		1.91	-0.68	0.81		0.52

* p< 0.10, ** p< 0.05, *** p< 0.01

Regressions in the table 14 show significant correlation with many of the variables chosen for all three categories; *issues*, *capabilities*, and *norms*. First and foremost, table 14 shows that the degree to which bilateral trade issues are reported in the US media (IssFrqTrd - bilateral trade issues frequency) can significantly affect how much trade lobby a country carries out in the U.S. In 19 out of 20 cases (no. 53-72), such probability was 99 percent, a very significant level of confidence. TrdLbTotMth may even be approximately predicted with IssFrqTrd times 2.74 (standard deviation 0.37, Upper 95% Mean - 2.92, Lower 95% Mean - 2.56). This seems to provide sufficient evidence that countries do in fact react to the level of US media attention they get for their country's bilateral trade relationship with the US.

At a glance, more trade with the United States (TrdVolUs) may seem to produce more trade lobby (with more than 90 percent confidence level in no. 73-76 and 85-92). But, note that when knowledge (capability) measurements—Newsweek Magazine circulation (NwkCrtTot) and the number of foreign students in the US (FrnStdUs)—are controlled, such relationship disappears (no. 77-84). In fact, Newsweek Magazine's circulation (NwkCrtTot) seems to be significantly related to more trade lobby (TrdLbTotMth). Such probability is 99 percent in six (no. 57, 58, 60, 77, 78, and 80) out of twelve regressions where NwkCrtTot is included. This is a very interesting finding. All of these together indicate that besides the immediate reasons to act, such as the media attention to bilateral trade relationship (IssFrqTrd), knowledge of the US system matters more, than sheer volume of trade, for the activism in trade lobby.¹¹²

¹¹² The assumption for this research so far has been that, with more circulation of the Newsweek Magazine, a country will have better understanding of the United States and

Both larger GNP (GrsNtnPrd) and higher per capita GNP (PerCapGnp) seem also related to larger size of trade lobby. GrsNtnPrd shows correlation with TrdLbTotMth, with more than 95 percent confidence level in seven (no. 69, 85-88, 105, 106, and 108) out of 12 regressions where GrsNtnPrd is included. PerCapGnp shows correlation with TrdLbTotMth, with more than 90 percent confidence level in eight (no. 69, 72, 89, 90, 92, 109, 110, 112) out of 12 cases where it is considered. One may argue that higher income level will result in higher volume of trade with the United States (acting through total bilateral trade with the US - TrdVolUs) and therefore will produce higher level of trade lobby activities. However, even when TrdVolUs is controlled, these correlation largely remained intact. Thus, it would be safe to conclude that the richer economies do more active trade lobby in the United States, regardless of their bilateral trade volumes.

Regressions in the table 14 show importance of two of the four *norm* variables chosen. First of all, corruption index (CrpIdxRtn) shows the confidence level of more than 90 percent in eight (no. 54, 58, 66, 74, 86, 94, 98, 106) out of 15 regressions where CrpIdxRtn is included. Also, the total number of private associations (PrvAsnTot) shows the confidence level of more than 95 percent in five (no. 56, 60, 68, 72, 76) out of 15 cases where it is considered. This significance of some the norm variables is important, especially because it has been confirmed while other issue and capability

therefore will be more actively engaged in the trade lobby, as noted earlier in fn. 71. An alternative explanation would be that NwkCrtTot could be just an indicator, and not a cause, of bilateral interaction. However, such alternative explanation seems unsupported, since one of such indicators of interaction size, TrdVolUs, has been shown above to be less powerful than NwkCrtTot. Thus, the original assumption for this research seems sustainable.

variables are controlled. It shows that socio-political conditions and norms at home do affect the degree of activism in trade lobby.

Table 15. Trade Lobby Measured in Dollars (TrdLbTot\$)

no.		113	114	115	116	117	118	119	120	121
Independent Variable	Y	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$
Dependent Variables	S	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd
	C	DplTieYrs	DplTieYrs	DplTieYrs	DplTieYrs	NwkCrtTot	NwkCrtTot	NwkCrtTot	NwkCrtTot	FrnStdUs
	N	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot
Whole Model	Rsquare			0.95				0.97		0.96
	N size			10				9		11
	F Ratio			***42.24				***68.87		***75.18
Estimates	S			80015.45				89844.4		81048.73
	C			89270.09				-368855		458.59
	N			-865387				-4.18		-598177
t Ratios	S			***10.40				***11.73		***14.12
	C			0.84				-2		0.43
	N			-0.18				-1.13		-0.08
no.		122	123	124	125	126	127	128	129	130
Independent Variable	Y	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$
Dependent Variables	S	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd	IssFrqTrd
	C	FrnStdUs	FrnStdUs	FrnStdUs	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	PerCapGnp	PerCapGnp
	N	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn
Whole Model	Rsquare	0.96		0.97			0.96			0.12
	N size	10		11			7			35
	F Ratio	***63.90		***109.05			***32.32			1.44
Estimates	S	61934.47		86433			77444.42			115624.2
	C	592.57		1089.08			-540.97			-16385.3
	N	-612573		-33550.1			2467425			66185455

Appendix I. Design and Results of the Main Regression

t Ratios	S	***11.62		***15.22			**3.37			0.91
	C	0.51		1.21			-0.02			*-1.94
	N	-0.23		-1.75			0.37			*1.98
no.		131	132	133	134	135	136	137	138	139
Independent Variable	Y	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$
Dependent Variables	S	IssFrqTr d	IssFrqTr d	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s
	C	PerCap Gnp	PerCap Gnp	DplTieY rs	DplTieY rs	DplTieY rs	DplTieY rs	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot
	N	PerCap Cam	PrvAsnT ot	PolAsnT ot	CrpldxR tn	PerCap Cam	PrvAsnT ot	PolAsnT ot	CrpldxR tn	PerCap Cam
Whole Model	Rsquare	0.95								
	N size	10								
	F Ratio	***41.15								
Estimates	S	78166.3 2								
	C	546.75								
	N	-2.22								
t Ratios	S	***9.39								
	C	0.74								
	N	-0.51								
no.		140	141	142	143	144	145	146	147	148
Independent Variable	Y	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$
Dependent Variables	S	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s	TrdVolU s
	C	NwkCrt Tot	FrnStdU s	FrnStdU s	FrnStdU s	FrnStdU s	GrsNtnP rd	GrsNtnP rd	GrsNtnP rd	GrsNtnP rd
	N	PrvAsnT ot	PolAsnT ot	CrpldxR tn	PerCap Cam	PrvAsnT ot	PolAsnT ot	CrpldxR tn	PerCap Cam	PrvAsnT ot
Whole Model	Rsquare								0.89	
	N size								7	
	F Ratio								*8.22	
Estimates	S								602426 65	
	C								60405	
	N								430599 2	
t Ratios	S								0.98	
	C								**3.19	
	N								0.34	

Appendix I. Design and Results of the Main Regression

no.										
no.		149	150	151	152	153	154	155	156	157
Independent Variable	Y	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$
Dependent Variables	S	TrdVolUs	TrdVolUs	TrdVolUs	TrdVolUs	TrdActCas	TrdActCas	TrdActCas	TrdActCas	TrdActCas
	C	PerCapGnp	PerCapGnp	PerCapGnp	PerCapGnp	DplTieYrs	DplTieYrs	DplTieYrs	DplTieYrs	NwkCrtTot
	N	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot
Whole Model	Rsquare					0.51	0.7		0.6	
	N size					9	9		9	
	F Ratio					1.76	*4.04		2.53	
Estimates	S					496478 87	395504 19		413048 95	
	C					-117149	63813.8 6		94201.5 1	
	N					753446 26	155478 37		99751.9 3	
t Ratios	S					*2.24	*2.32		*2.05	
	C					-0.28	0.19		0.23	
	N					0.25	1.85		1.09	
no.										
no.		158	159	160	161	162	163	164	165	166
Independent Variable	Y	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$	TrdLbTo t\$
Dependent Variables	S	TrdActCas	TrdActCas	TrdActCas	TrdActCas	TrdActCas	TrdActCas	TrdActCas	TrdActCas	TrdActCas
	C	NwkCrtTot	NwkCrtTot	NwkCrtTot	FrnStdUs	FrnStdUs	FrnStdUs	FrnStdUs	GrsNtnPrd	GrsNtnPrd
	N	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn
Whole Model	Rsquare	0.81		0.59	0.92	0.91		0.91	0.95	0.97
	N size	9		9	6	6		6	9	9
	F Ratio	**7.14		2.49	8.02	7.19		6.83	***32.32	***74.42
Estimates	S	428064 47		418967 32	700090 93	728648 70		692630 34	- 45853.9	211185 6
	C	-1.71		- 85850.8	5217.18	5563.64		4715.61	76194.0 8	66749.3 4
	N	384085 44		100913. 7	1.17E+0 8	0		- 1886.56	188289 03	623952 6
t Ratios	S	**3.09		*2.08	**4.75	*3.71		*3.99	0	0.32
	C	-1.66		-0.06	1.58	1.27		1.24	***6.73	***7.88
	N	*2.49		0.53	0.56	-0.31		-0.03	0.18	*2.50

Appendix I. Design and Results of the Main Regression

no.		167	168	169	170	171	172
Independent Variable	Y	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$	TrdLbTot\$
Dependent Variables	S	TrdActCas	TrdActCas	TrdActCas	TrdActCas	TrdActCas	TrdActCas
	C	GrsNtnPrd	GrsNtnPrd	PerCapGnp	PerCapGnp	PerCapGnp	PerCapGnp
	N	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot
Whole Model	Rsquare		0.96	0.92	0.92		0.92
	N size		9	9	9		9
	F Ratio		***41.48	***21.35	***19.95		***19.38
Estimates	S		-242245	161890 16	176698 11		190881 77
	C		72398.5 1	4908.86	5330.82		4973.6
	N		32038.8 5	- 9.5E+07	0		- 17676.9
t Ratios	S		-0.03	1.54	1.68		1.86
	C		***6.85	***5.39	**3.75		**4.51
	N		1.18	-0.8	-0.55		-0.4

* p<0.10, ** p<0.05, *** p<0.01

The results of TrdLbTot\$-based regressions are—slightly less robust than, but still—largely similar to those of TrdLbTotMth-based regressions.

One of the most noticeable difference from the TrdLbTotMth regressions is that numbers of section 301 actions (TrdActCas) seem to have more effect on TrdLbTot\$ than it did on TrdLbTotMth. TrdActCas shows correlation with the confidence level of more than 90 percent in eight (no. 153, 154, 156, 158, 160, 161, 162, 164) out of 20 cases where it is considered. A possible explanation for this is that countries designated—or those correctly anticipated designation—under section 301 may have been desperate enough to pay more for—the same or more intensive—trade lobbying activities.

The size of the total GNP (GrsNtnPrd) and per capita GNP (PerCapGnp) seem to have slightly less significant relationship with TrdLbTot\$ than it

was the case with TrdLbTotMth. GrsNtnPrd shows correlation with the confidence level of more than 95 percent in four (no. 147, 165, 166 and 168) out of the 12 regressions where GrsNtnPrd is considered. PerCapGnp shows correlation with the confidence level of more than 95 percent in three (no. 169, 170 and 172) out of the 12 cases where it is considered. The data from the table 14 have shown that richer countries are simply more actively engaged in trade lobbies regardless of their sizes of trade with the US. Regressions in the table 14 and 15 together show bilateral trade volume with US (TrdVolUs) has little effect on the size of trade lobby.¹¹³

Like issue and capability variables, norm variables also show generally lower level of significance for TrdLbTot\$-based regressions than it has been the case with TrdLbTotMth-based regressions. However, the norm variables show some signs of significance that should not be missed. The Corruption Index (CrpIdxRtn)—a “similarity” measurement—shows correlation with the confidence level of more than 90 percent in three (no. 130, 158, 166) out of the 15 regressions where CrpIdxRtn is included.

Table 16. Political Lobby Measured in Months (PolLbTotMth)

no.		173	174	175	176	177	178	179	180	181	182
Independent Variable	Y	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth
Dependent Variable	S	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss
Variables	C	DplTieYrs	DplTieYrs	DplTieYrs	DplTieYrs	NwkCrtTot	NwkCrtTot	NwkCrtTot	NwkCrtTot	FrnStdUs	FrnStdUs
	N	PolAsnTot	CrpIdxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpIdxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpIdxRtn

¹¹³ In addition to the regressions laid out in these tables, I have also ran regressions with measurement of countries export dependence on the US market (total export to the US divided by the country's total export abroad), as mentioned in fn. 70. But, I did not find any indication of significant correlation with either TrdLbTotMth or TrdLbTot\$.

Appendix I. Design and Results of the Main Regression

Whole Model	Rsquared	0.34	0.28	0.6	0.3	0.27	0.37	0.71	0.28	0.67	0.67
	n size	50	41	10	51	50	40	9	51	11	10
	F Ratio	***8.23	***5.01	3.05	***6.75	***5.90	***7.32	*4.22	***6.27	**4.97	*4.20
Estimates	S	0.21	0.22	0.26	0.2	0.18	0.19	0.2	0.18	0.44	0.39
	C	-0.09	0.04	0.75	0.01	1.79	2.22	2.53	2.16	0.01	0.01
	N	-46.7	4.46	42.96	0	-11.18	-0.7	39.19	-0.01	33.13	10.92
t Ratios	S	***4.84	***3.87	*1.95	***4.49	***3.60	***3.62	1.76	***3.64	**3.05	*2.42
	C	-0.35	0.14	0.79	0.05	*1.85	**2.30	1.78	**2.19	**2.53	1.68
	N	*-1.91	0.64	1.01	0.32	-0.4	-0.09	1.05	-0.17	0.61	0.57
no.		183	184	185	186	187	188	189	190	191	192
Independent Variable	Y	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth
Dependent Variables	S	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss	NonTrdLss
	C	FrmStdUs	FrmStdUs	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	PerCapGnp	PerCapGnp	PerCapGnp	PerCapGnp
	N	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot
Whole Model	Rsquared		0.66	0.31	0.28	0.98	0.28	0.5	0.4	0.63	0.36
	N size		11	35	34	7	36	39	35	10	39
	F Ratio		**4.57	***4.67	**3.89	***72.55	**4.19	***11.80	***7.00	*3.44	***6.59
Estimates	S		0.41	0	0.07	0.85	0.02	0.33	0.28	0.28	0.26
	C		0.01	0.08	0.07	-0.01	0.09	0	0	0	0
	N		0.01	-79.59	6.27	9.92	-0.01	-108.14	-6.93	23.41	0
t Ratios	S		**2.66	0.03	0.56	**4.42	0.22	***5.45	***4.22	*2.13	***4.07
	C		*2.05	*2.03	1.5	-0.22	**2.04	**2.64	1.25	1.06	1.37
	N		0.06	1.3	0.68	0.83	-0.51	***-3.17	-0.58	0.57	-0.2
no.		193	194	195	196	197	198	199	200	201	202
Independent Variable	Y	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth
Dependent Variables	S	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs
	C	DplTieYrs	DplTieYrs	DplTieYrs	DplTieYrs	NwkCrtTot	NwkCrtTot	NwkCrtTot	NwkCrtTot	FrmStdUs	FrmStdUs
	N	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn
Whole Model	Rsquared	0.24			0.24				0.24		
	N size	15			15				15		
	F Ratio	1.21			1.19				1.19		

Appendix I. Design and Results of the Main Regression

Estimates	S	0.13			0.15				0.15		
	C	0.21			0.07				0.65		
	N	27.48			-0.32				-0.37		
t Ratios	S	1.54			*1.83				*1.80		
	C	0.34			0.12				0.15		
	N	0.69			-0.64				-0.72		
no.		203	204	205	206	207	208	209	210	211	212
Independent Variable	Y	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth	PolLbTotMth
Dependent Variables	S	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs
	C	FrnStdUs	FrnStdUs	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	PerCapGnp	PerCapGnp	PerCapGnp	PerCapGnp
	N	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot
Whole Model	Rsquare										0.64
	n size										9
	F Ratio										3.07
Estimates	S										-0.02
	C										0.02
	N										-0.44
t Ratios	S										-0.23
	C										*2.21
	N										-0.98

* p<0.10, ** p<0.05, *** p<0.01

Regressions in the table 16 show that the degree to which bilateral issues are reported in the US media (NonTrdIss - bilateral issues frequency, excluding trade-related issues) significantly affects how much political lobby a country carries out in the U.S., measured in the total months (PolLbTotMth). In 15 out of 20 cases (no. 173-192), such probability is more than 90 percent, a significant level of confidence. This provides sufficient evidence to conclude that countries do in fact react to the level of US media attention they get for their country's bilateral political

relationship with the US, as it has been the case with trade issues shown in the table 14.

The knowledge of the US system—measured in Newsweek Magazine’s circulation (NwkCrtTot)—seems to affect the size of the political lobby (PolLbTotMth). Such probability is more than 90 percent in three (no. 177, 178 and 180) out of eight cases. Regressions on the number of foreign students (FrnStdUs) show more than 90 percent of confidence level in two (no. 181 and 184) out of eight cases. This is another interesting phenomenon. All of these together indicate that, besides the immediate reasons to act such as the media attention to bilateral political relationship (NonTrdIss), better understanding of the US system results in activism in political lobby.

The regressions show that a larger economic capability results in a larger size of political lobby. The total GNP (GrsNtnPrd) and per capita GNP (PerCapGnp) each shows more than 90 percent confidence in two (no. 185 and 188 for GrsNtnPrd, and no. 189 and 212 for PerCapGnp) out of eight regressions where they are considered respectively.

Table 17. Political Lobby Measured in Dollars (PolLbTot\$)

No.		213	214	215	216	217	218	219	220	221	222
Independent Variable	Y	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$
Dependent Variable	S	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss
Variables	C	DplTie Yrs	DplTie Yrs	DplTie Yrs	DplTie Yrs	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	FrnStd Us	FrnStd Us
	N	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn
Whole Model	R	0.34	0.28	0.6	0.3	0.27	0.37	0.71	0.28		0.67
	Square										
	N size	50	41	10	51	50	40	9	51		10
	F Ratio	***8.23	***5.01	3.05	***6.75	***5.90	***7.32	*4.22	***6.27		*4.20

Appendix I. Design and Results of the Main Regression

Estimate s	S	0.21	0.22	0.26	0.2	0.18	0.19	0.2	0.18		0.39
	C	-0.09	0.04	0.75	0.01	1.79	2.22	2.53	2.16		0.01
	N	-46.7	4.46	42.96	0	-11.18	-0.7	39.19	-0.01		10.92
t Ratios	S	***4.84	***3.87	*1.95	***4.49	***3.60	***3.62	1.76	***3.64		*2.42
	C	-0.35	0.14	0.79	0.05	*1.85	**2.30	1.78	**2.19		1.68
	N	*-1.91	0.64	1.01	0.32	-0.4	-0.09	1.05	-0.71		0.57
No.		223	224	225	226	227	228	229	230	231	232
Independ ent Variable	Y	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$
Depende nt Variables	S	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss	NonTrd Iss
	C	FrnStd Us	FrnStd Us	GrsNtn Prd	GrsNtn Prd	GrsNtn Prd	GrsNtn Prd	PerCap Gnp	PerCap Gnp	PerCap Gnp	PerCap Gnp
	N	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot
Whole Model	R Square			0.31	0.28	0.98	0.28	0.5	0.4	0.63	0.36
	n size			35	34	7	36	39	35	10	39
	F Ratio			***4.67	***3.89	***72.5 5	***4.19	***11.8 0	***7.00	*3.44	***6.59
Estimate s	S			0	0.07	0.85	0.02	0.33	0.28	0.28	0.26
	C			0.08	0.07	-0.01	0.09	0	0	0	0
	N			-79.59	6.27	9.92	-0.01	-108.14	-6.93	23.41	0
t Ratios	S			0.03	0.56	**4.42	0.22	***5.45	***4.22	*2.13	***4.07
	C			*2.03	1.5	-0.22	**2.04	**2.64	1.25	1.06	1.37
	N			-1.3	0.68	0.83	-0.51	***-3.17	-0.58	0.57	-0.2
No.		233	234	235	236	237	238	239	240	241	242
Independ ent Variable	Y	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$
Depende nt Variables	S	BitAidU s	BitAidU s	BitAidU s	BitAidU s	BitAidU s	BitAidU s	BitAidU s	BitAidU s	BitAidU s	BitAidU s
	C	DplTie Yrs	DplTie Yrs	DplTie Yrs	DplTie Yrs	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	NwkCrt Tot	FrnStd Us	FrnStd Us
	N	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn	PerCap Cam	PrvAsn Tot	PolAsn Tot	Crpldx Rtn
Whole Model	R Square				0.24				0.24		
	n size				15				15		
	F Ratio				1.19				1.19		
Estimate s	S				0.15				0.15		
	C				0.07				0.65		
	N				-0.32				-0.37		

Appendix I. Design and Results of the Main Regression

t Ratios	S				*1.83				*1.80		
	C				0.12				0.15		
	N				-0.64				-0.72		
No.		243	244	245	246	247	248	249	250	251	252
Independent Variable	Y	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$	PolLb Tot\$
Dependent Variables	S	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs	BitAidUs
	C	FrnStdUs	FrnStdUs	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	GrsNtnPrd	PerCapGnp	PerCapGnp	PerCapGnp	PerCapGnp
	N	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot	PolAsnTot	CrpldxRtn	PerCapCam	PrvAsnTot
Whole Model	R Square										0.97
	N size										9
	F Ratio										***75.81
Estimates	S										1915.68
	C										2982.45
	N										6.23
t Ratios	S										0.62
	C										***9.10
	N										0

* p<0.10, ** p<0.05, *** p<0.01

Regressions in the table 17 show results that are similar to those of the table 16. The degree to which bilateral issues get attention in the US media (NonTrdIss - bilateral issues frequency, excluding trade-related issues) seem to increase activism in political lobby. In 13 out of 20 regressions (no. 213-232) where NonTrdIss is included, such probability is more than 90 percent, a significant level of confidence.

The knowledge of the US system—measured in Newsweek Magazine's circulation (NwkCrtTot)—shows significance of more than 90 percent in three (no. 217, 218 and 220) out of eight regressions where NwkCrtTot is included. Curiously, the number of foreign students (FrnStdUs) does not show such relationship. Each of the economic capability variables again shows significance in two cases (no. 225 and 228 for GrsNtnPrd, and no.

229 and 252 for PerCapGnp) with more than 90 percent confidence. Number of political parties (PolAsnTot) seems to affect PolLbTot\$ in no.213 and 229; while, unlike the cases of trade lobby, PrvAsnTot does not show such effect or similar level of significance. These findings altogether indicate that the degree of pluralism at home may affect countries' characteristics of political lobby in the US, in the manner and degree that are quite different than the case of trade lobby.¹¹⁴

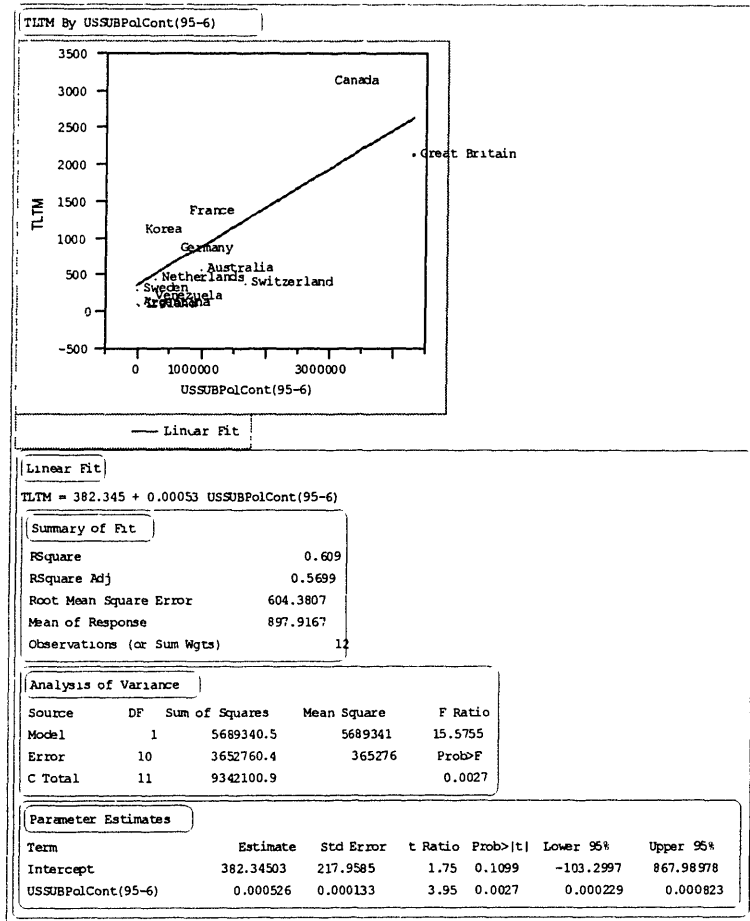
¹¹⁴The significance of NwkCrtTot, a familiarity variable, and the economic capability variables and the weakness of the pluralism variables together indicate that, in political lobby, countries are believed to act more like unitary actors. This makes sense. In trade lobby a wide range of private entities from a country may be involved, but in political lobbies such involvement is limited. The regression results introduced so far show that.

APPENDIX II. OTHER REGRESSIONS AND CORRELATION MEASUREMENTS

1. US SUBSIDIARIES' POLITICAL CONTRIBUTIONS* AND THE EFFECT ON SIZE OF TRADE LOBBYING**

a.1) Trade Lobby Size (measured in months) and Political Contribution by US Subsidiaries:

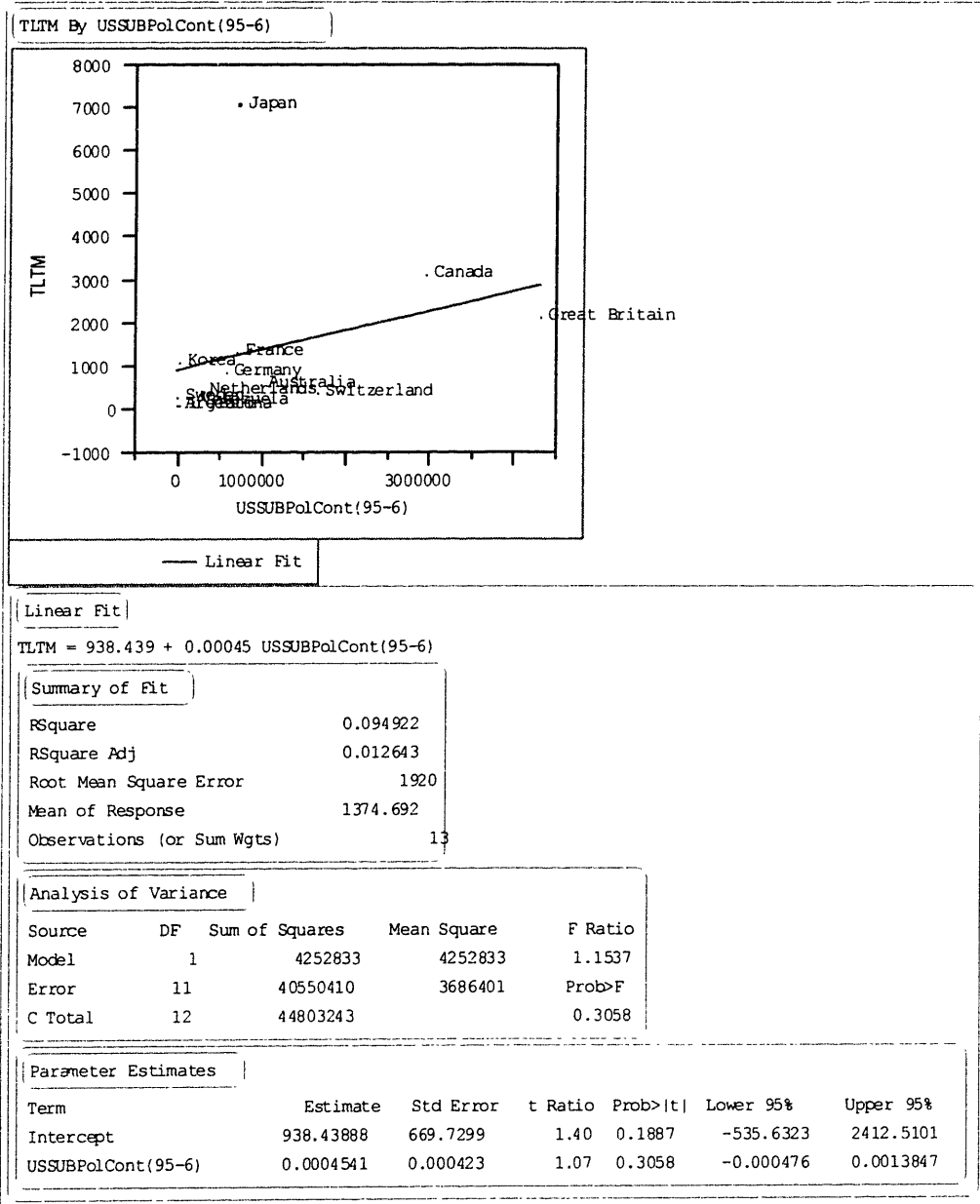
Regression without Japan



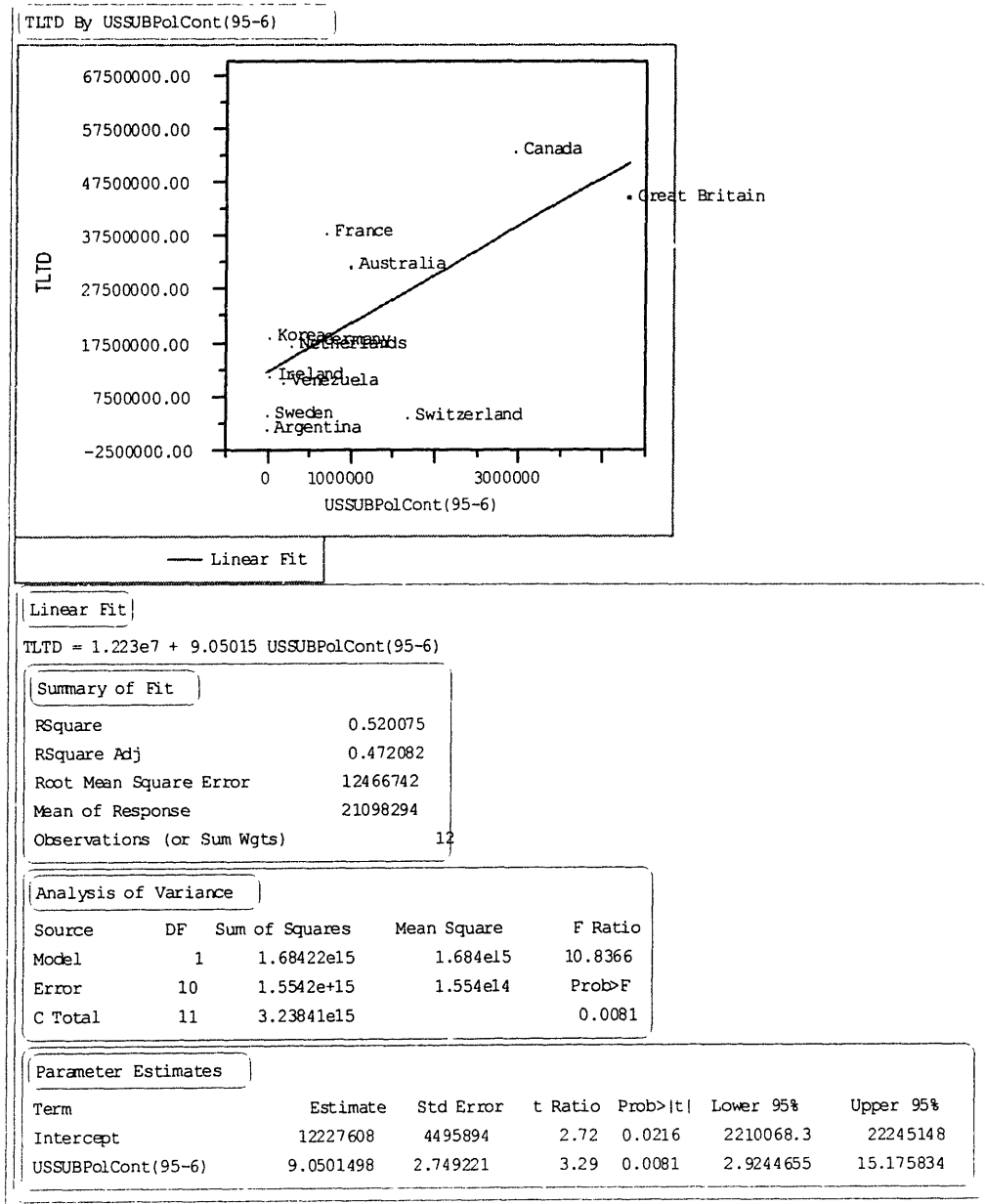
* The political contribution here means the combined amount of PAC and soft money contributions for 1996 elections (Source: Center for Responsive Politics Web Page, *Global Connections* 3/5/98)

** Trade Lobby: 1988-91 combined

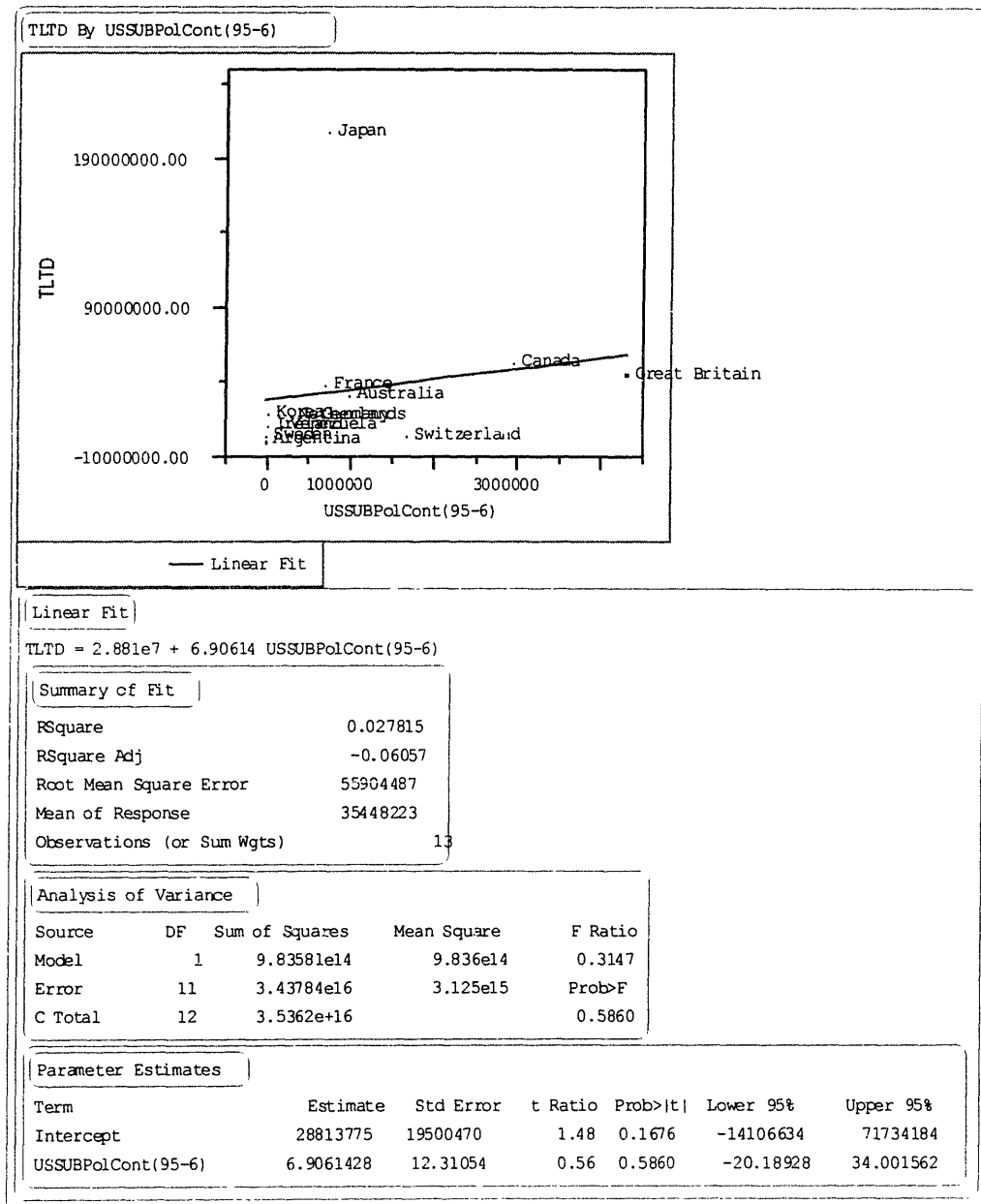
a.2) Regression including Japan



b.1) Trade Lobby Size (measured in \$) & Political Contribution by US Subsidiaries: Regression excluding Japan



b.2) Regression including Japan



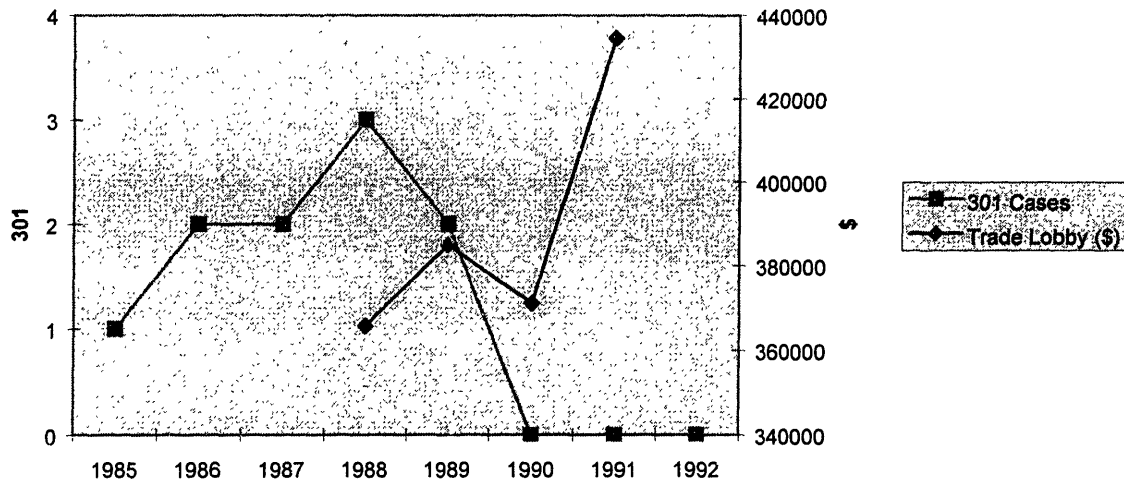
Key Observations:

- 1) Japan is an exceptional outlier, as it has been the case in most other aspects dealt with in this study.
- 2) Without Japan, the set of correlation shows relatively tight positive slope. This contradicts the initial expectation: There is no trade-off between spending in hired trade lobby and affiliated US subsidiaries' political contribution. There is no reverse correlation between the two. Rather, the more a country spends on trade lobbying, the more political contribution its affiliated US subsidiaries make.
- 3) As it has been the case in most parts of this study, monthly measurements again produce tighter fit in this set of correlation. This is probably because the dollar amounts fluctuate more in different cases for a wide variety of reasons.

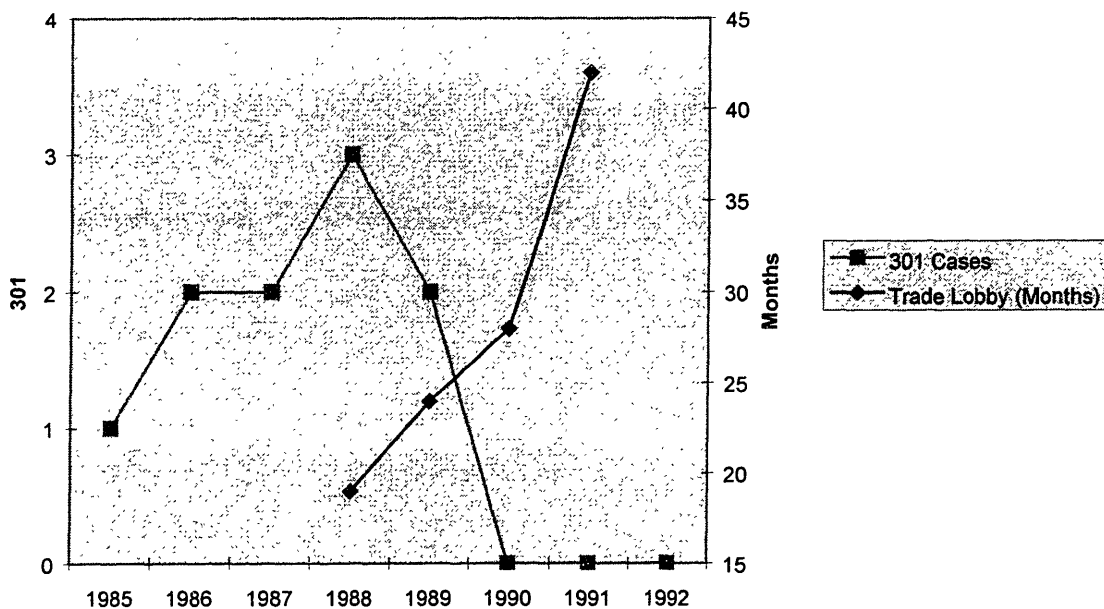
2. NUMBER OF 301 CASES AND CHANGES IN SIZE OF TRADE LOBBYING

The following set of correlation produced no observations that could be applied across different countries. Country-specific observation is provided

Argentina

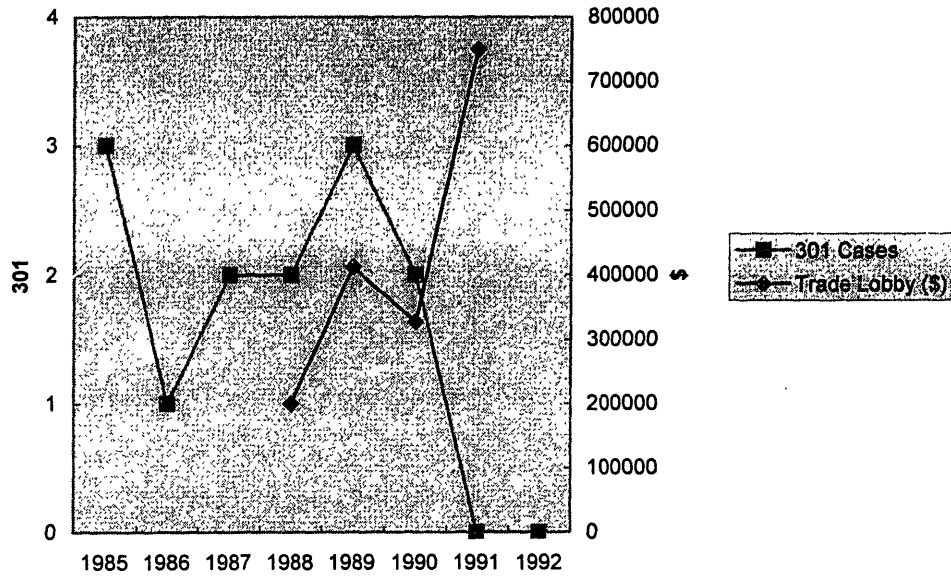


Argentina

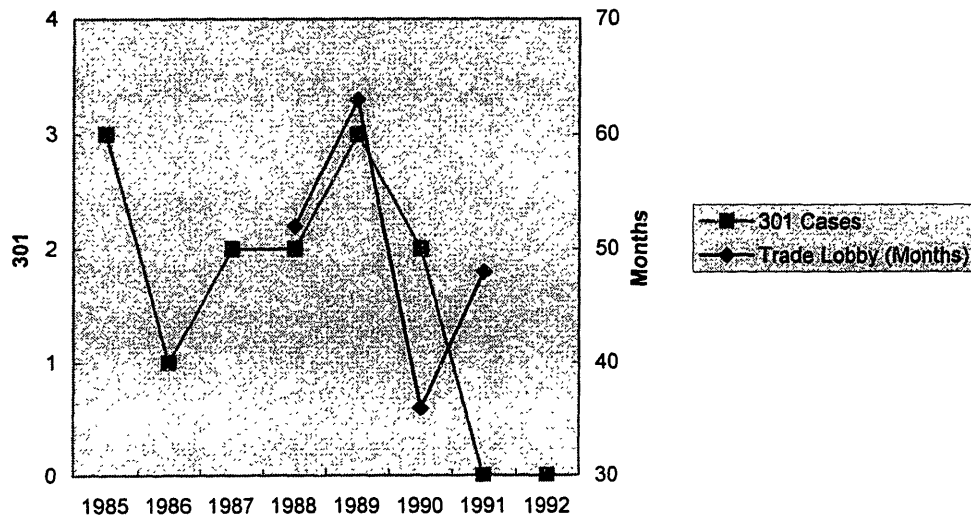


for each case. In the first case of Argentina, one may see that a constant increase of trade lobby worked to reduce 301 cases.

Brazil (1 case of Super 301 designated in 1989)

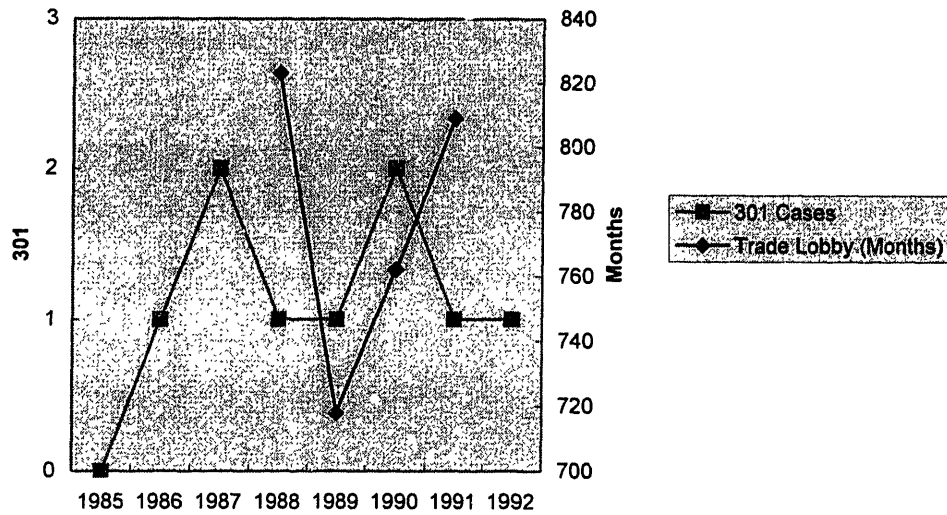


Brazil

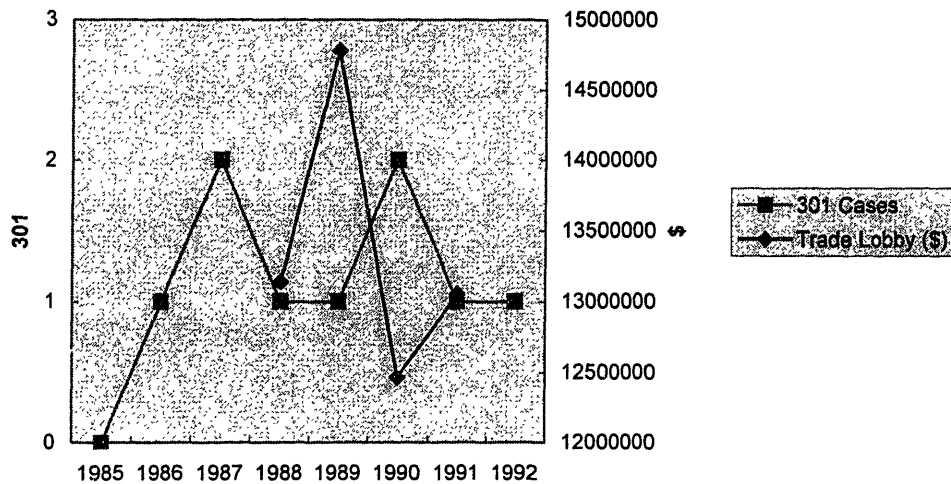


More spending seems to have worked for Brazil. The spending in 1989 and 90 may have been a reaction to the Super 301 situation.

Canada

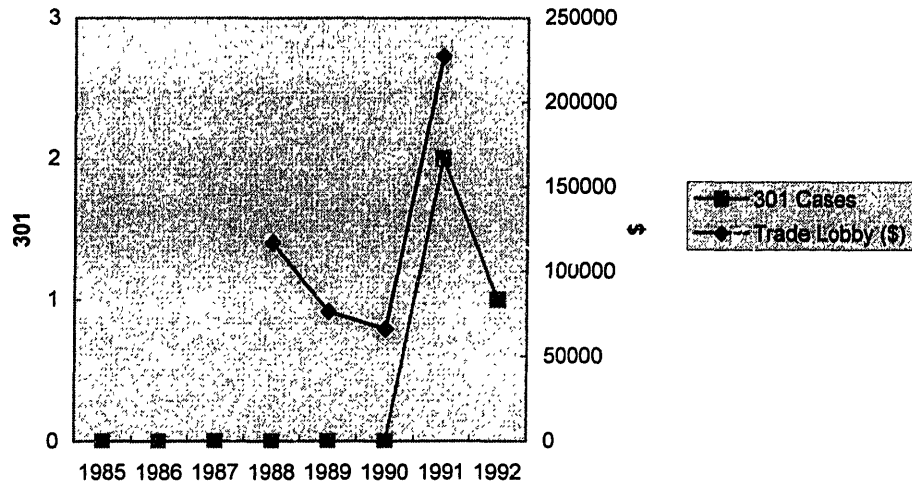


Canada

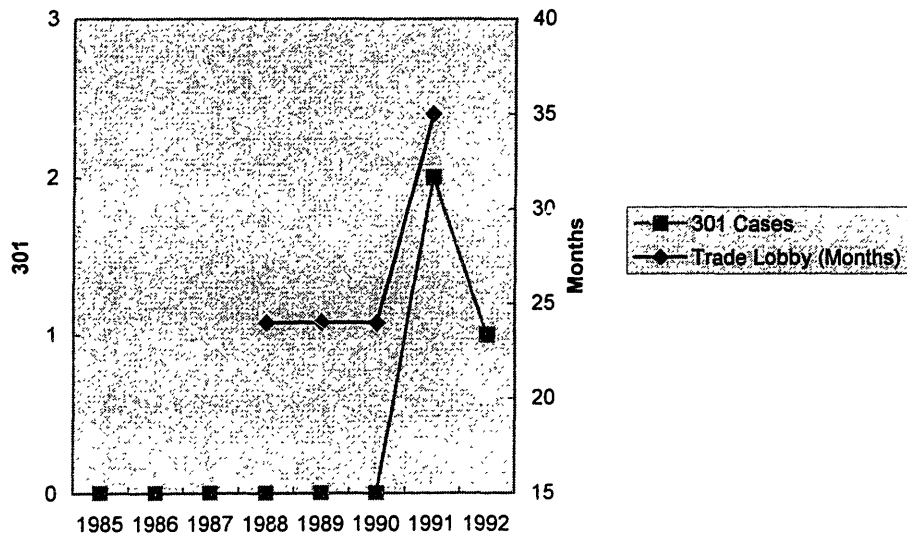


For Canada, the expenditure seems to be correlated with the 301 cases. In the monthly measurement, a sudden surge of efforts seems to have worked to improve the situation in 1991 and 1992.

China

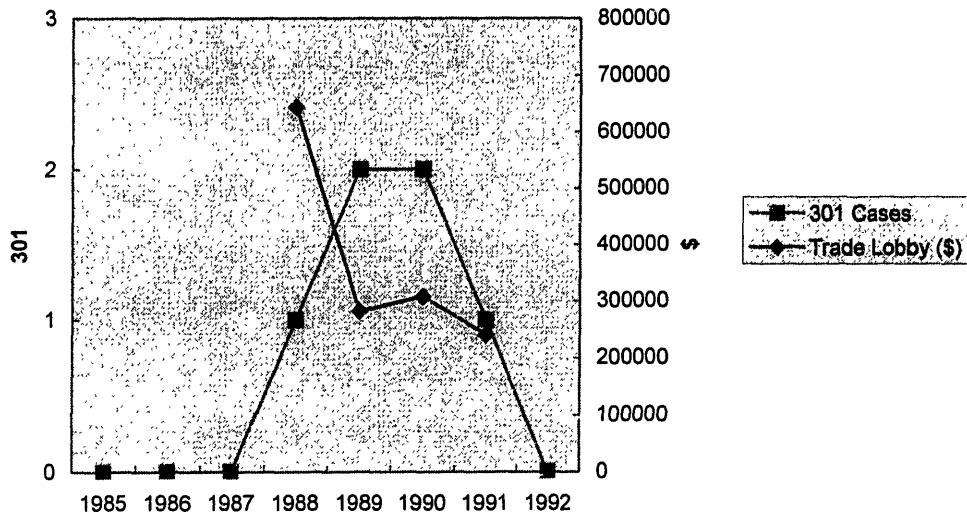


China

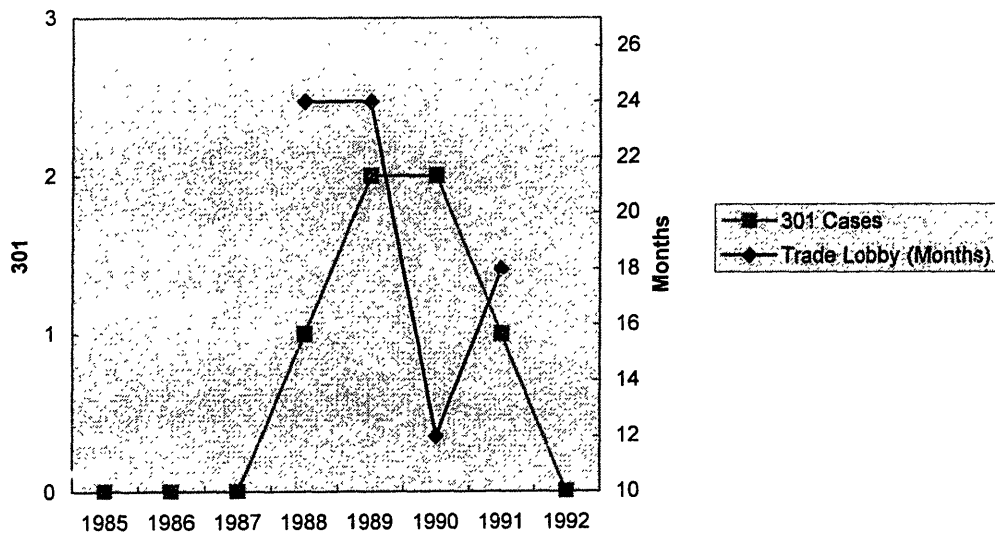


China's centralized decision making system seems to have reacted fairly quickly to the situation, after a long period of indifference

India (2 Super 301 Cases Designated in 1989)



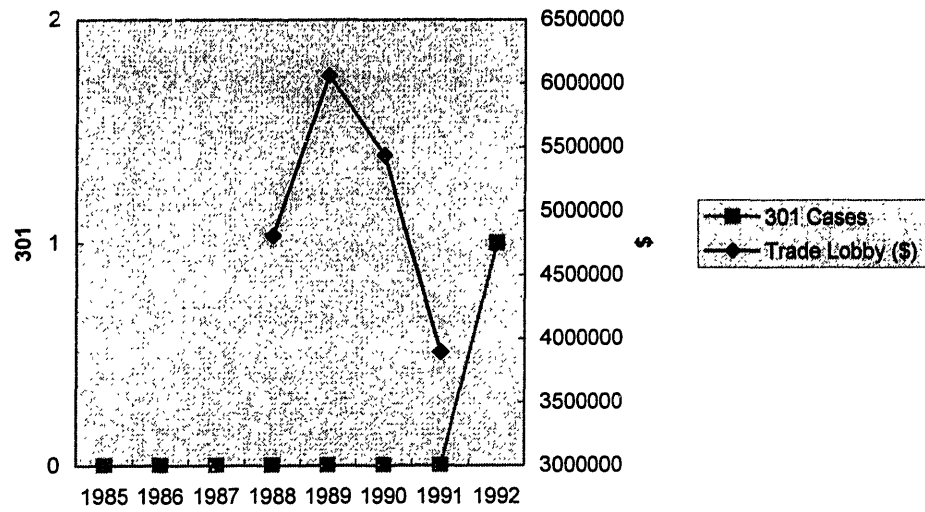
India



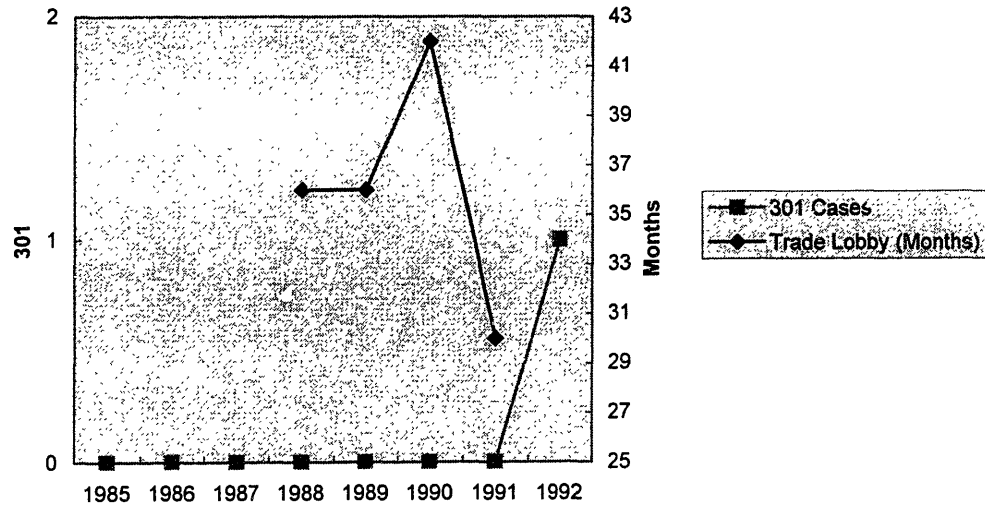
These data support the general perception that India is exceptionally indifferent to the US trade actions.

Appendix II. Other Measurements

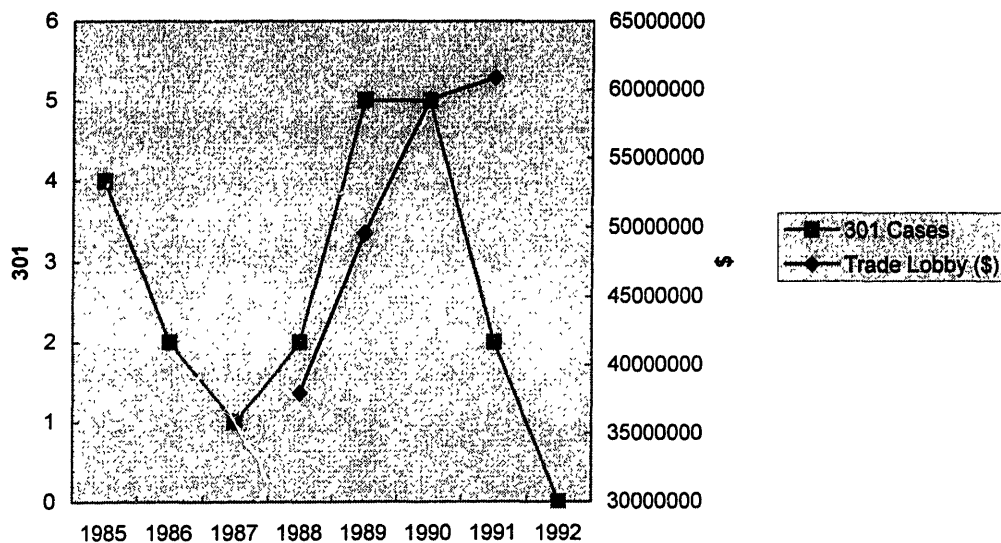
Indonesia



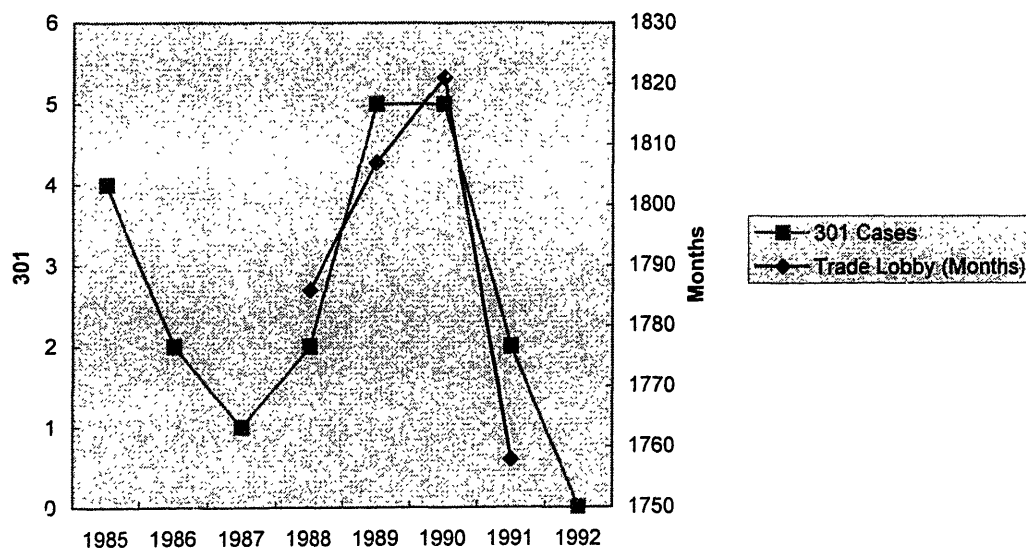
Indonesia



Japan (3 Super 301 Case Designated in 1989)

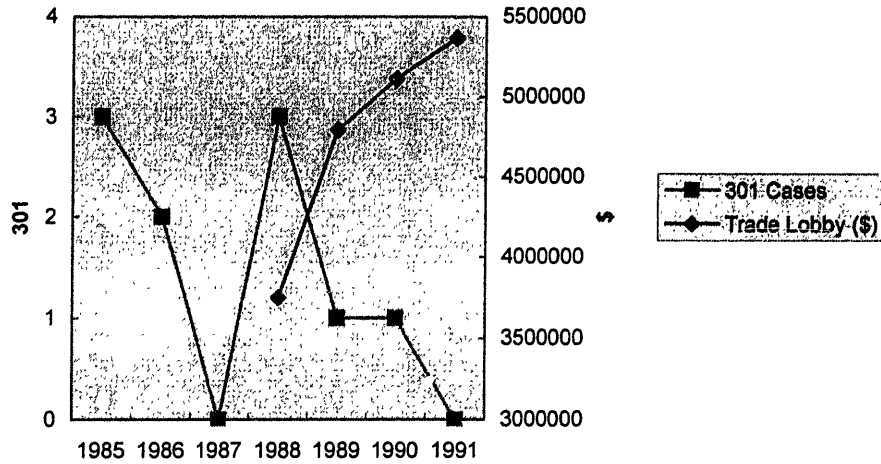


Japan

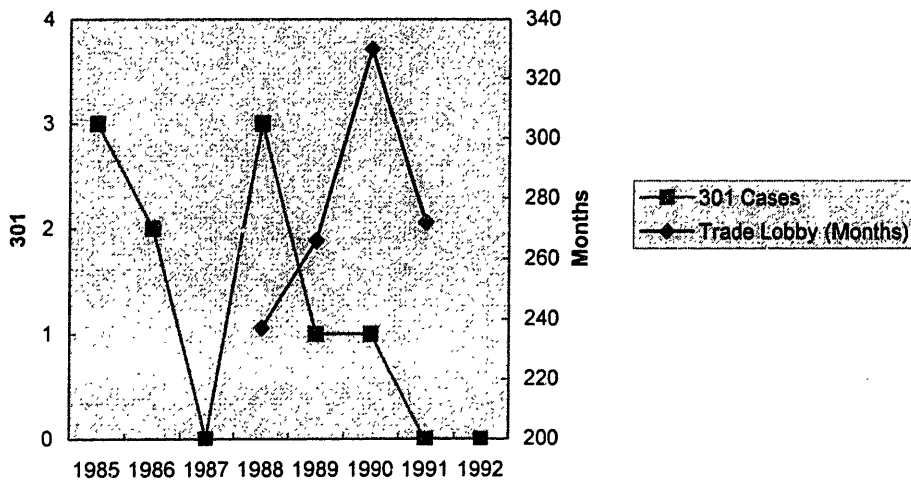


Japan seems to have increased its spending quite responsively.
1991's sudden decline in the month measurement needs an explanation.

Korea (89 Super 301: 5 Raised, 0 Designated)

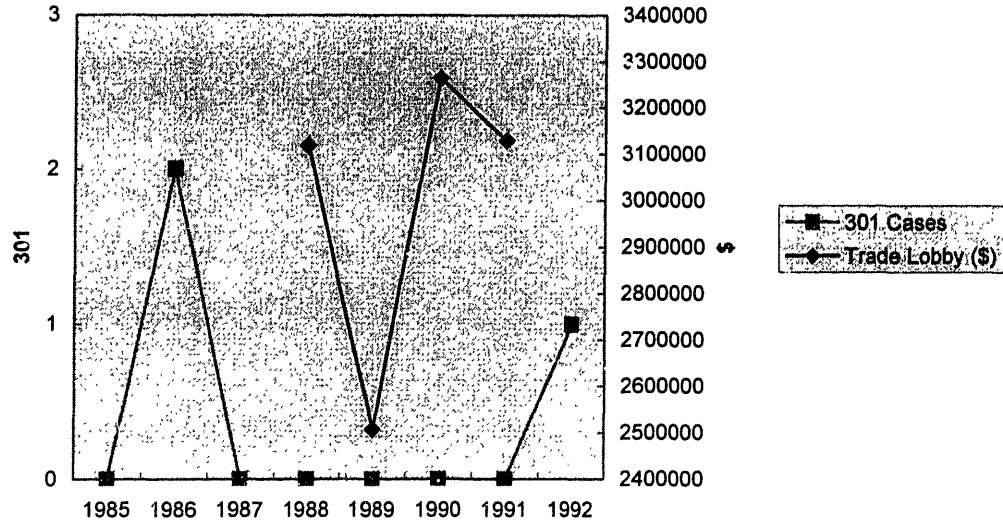


Korea

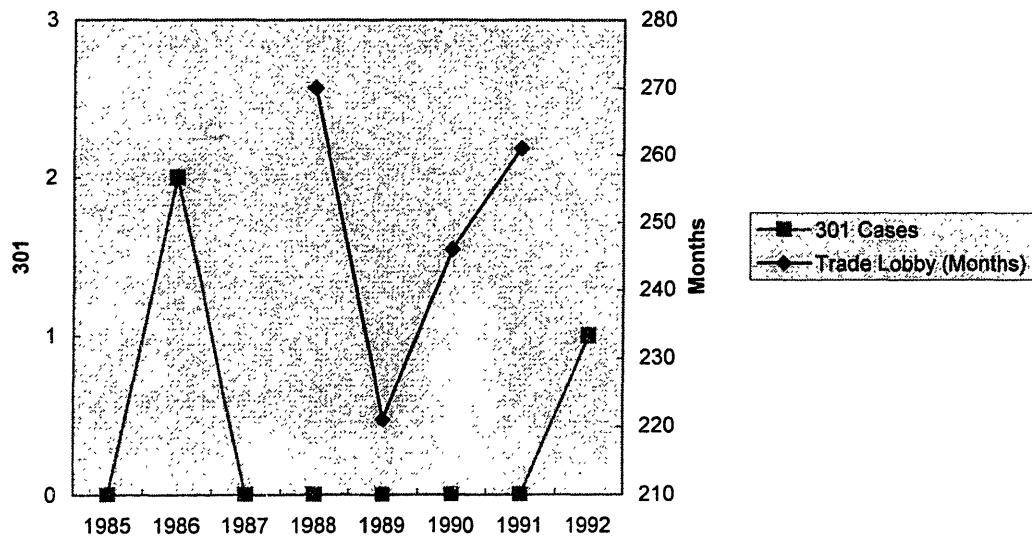


Korea reacted quite responsively and reasonably effectively. This may have had something to do with Korea's relatively centralized decision making system on trade issues. The office of the President dealt with trade issues during the years covered here.

Taiwan (89 Super 301: 4 Raised, 0 Designated)

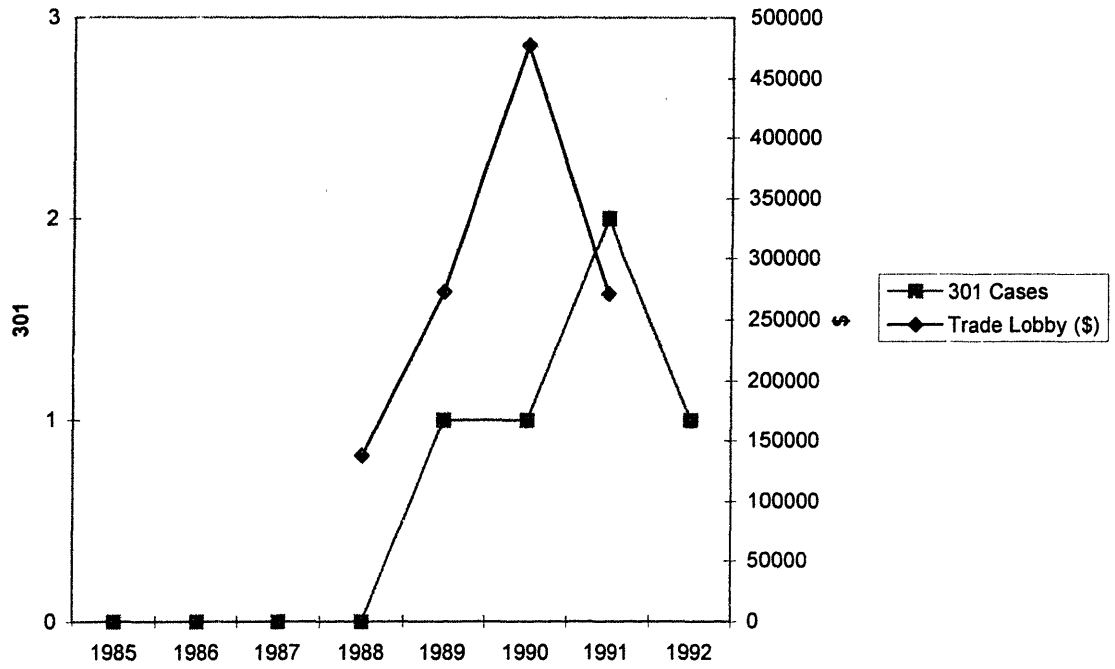


Taiwan

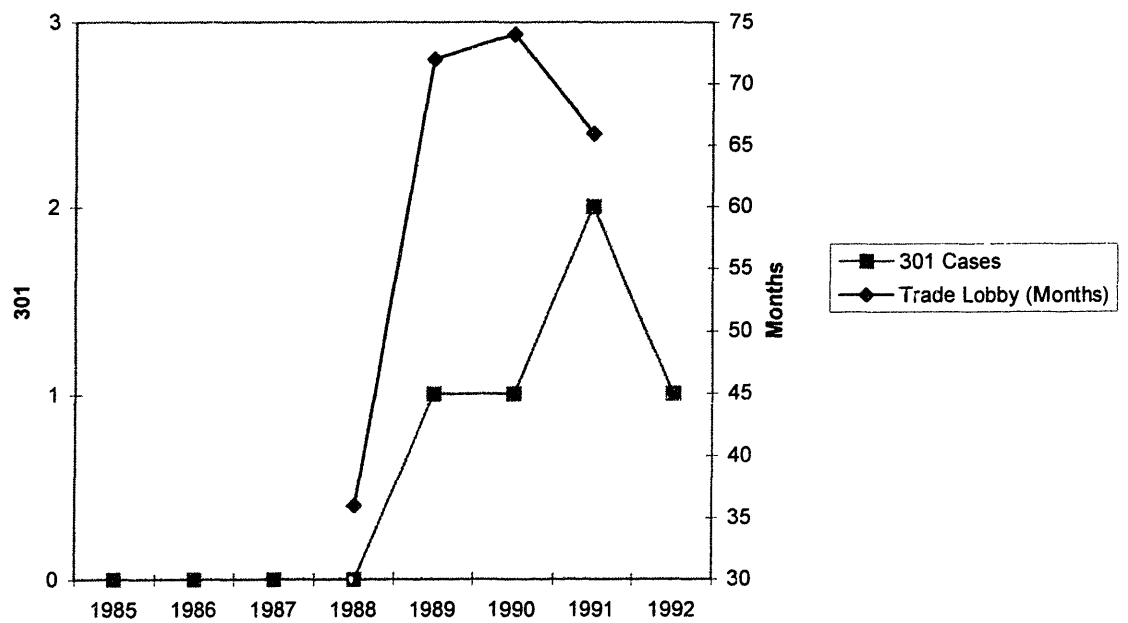


Appendix II. Other Measurements

Thailand

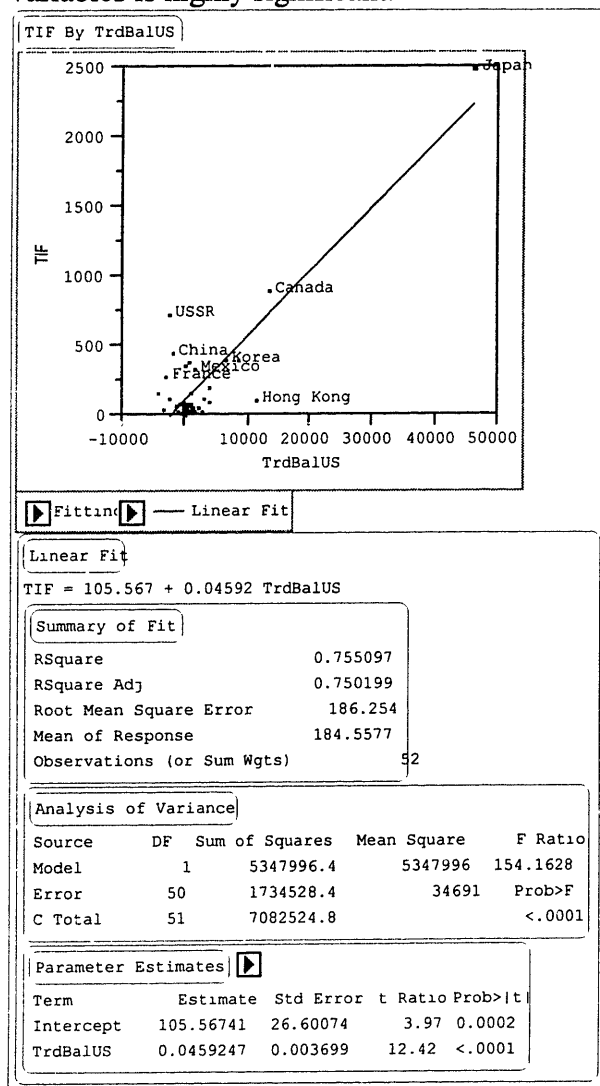


Thailand

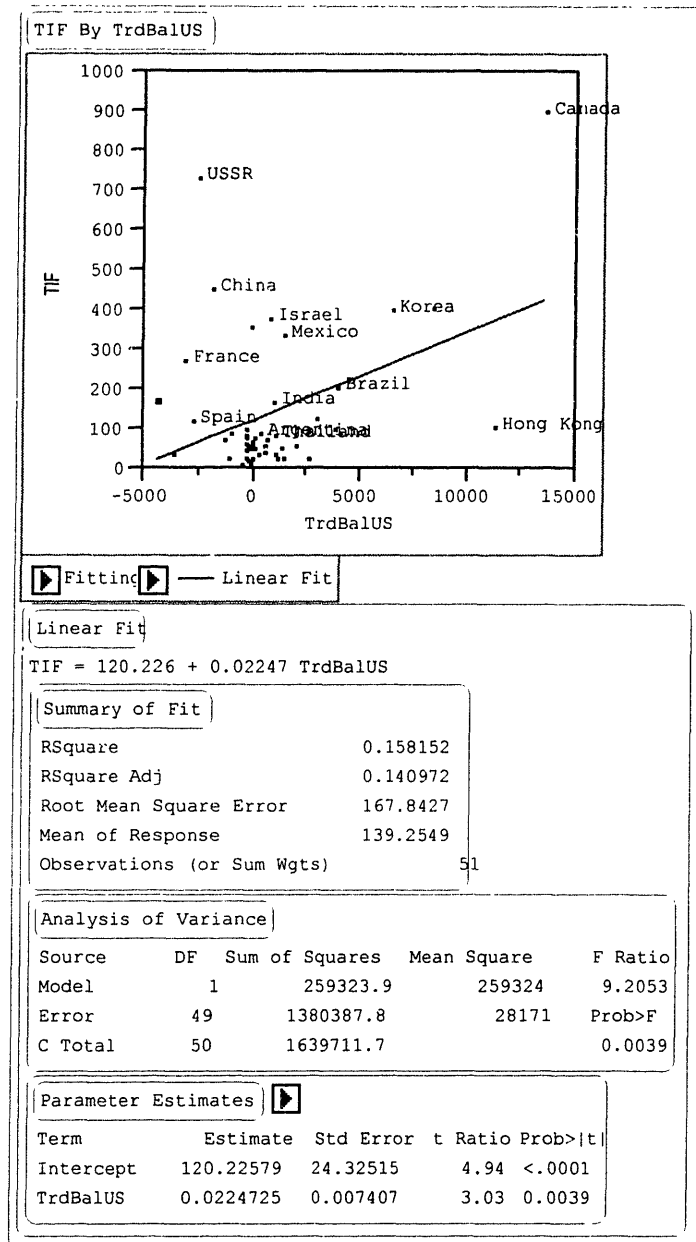


3. BILATERAL TRADE BALANCE AND TRADE ISSUES

As noted earlier, this research has found that the more often trade issues are raised in the United States about a particular country, the more active trade lobby the country is likely to do. Then, what causes the frequency of trade issues (TIF) to rise in the first place? The correlation analysis below shows that trade balance plays an absolutely critical role in increasing media reporting of the bilateral trade relations. The first graph includes Japan and the second excludes it. In both cases, the correlation between the two variables is highly significant.

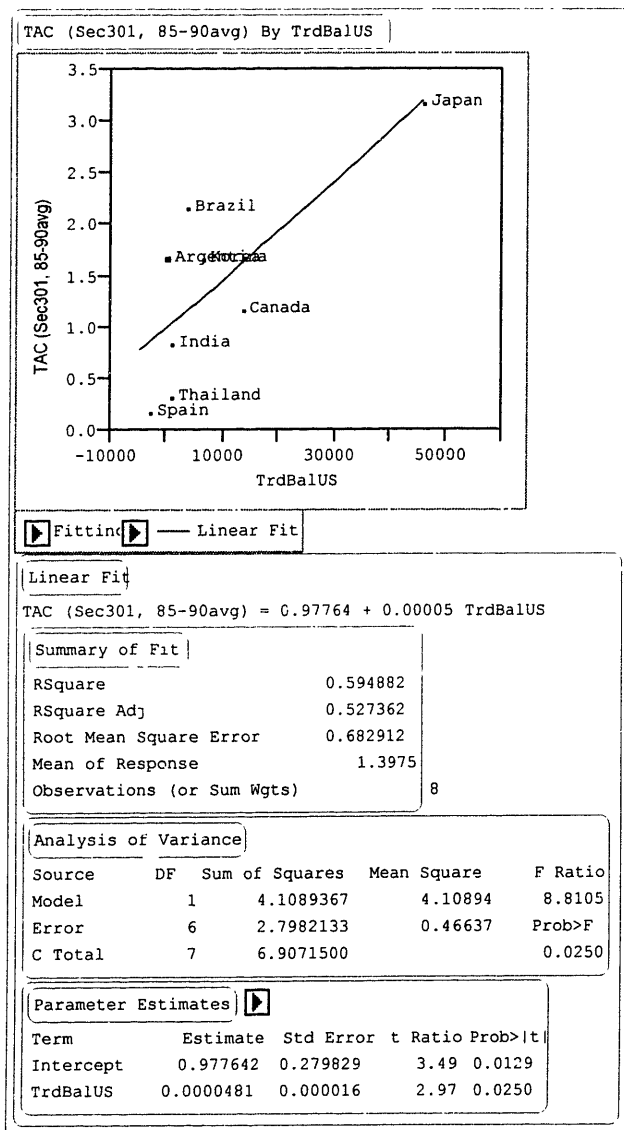


Appendix II. Other Measurements

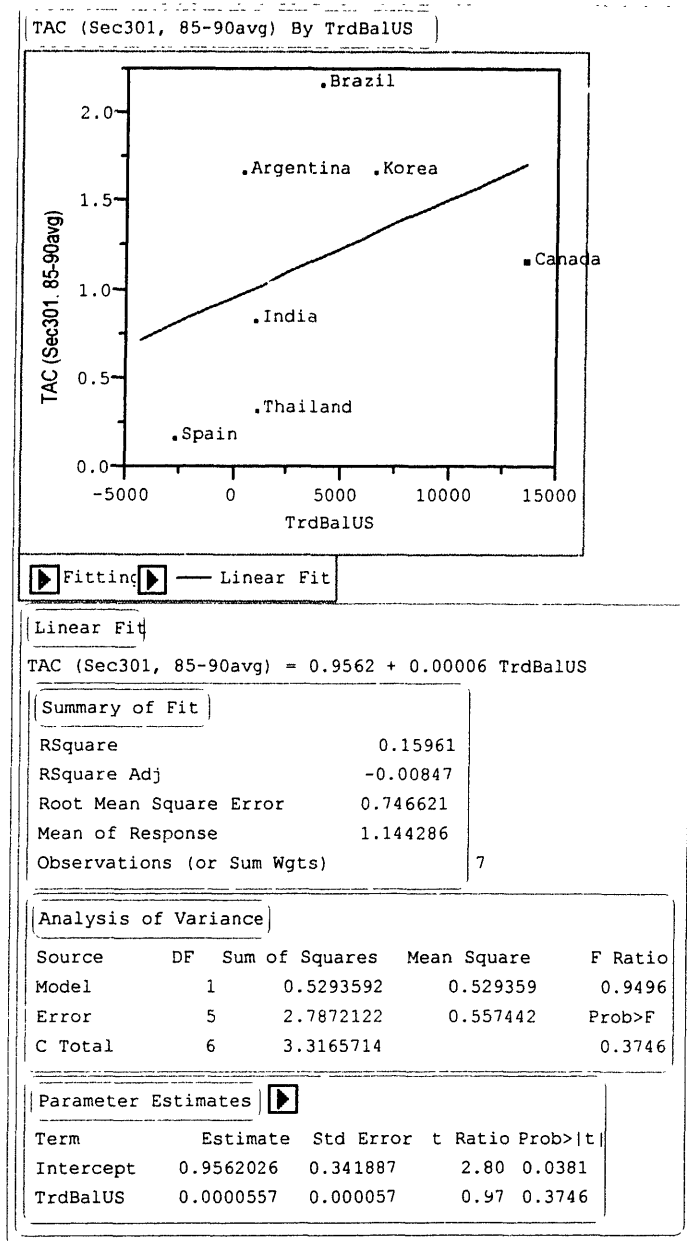


4. TRADE BALANCE AND TRADE ACTIONS

Does a larger bilateral trade imbalance result in more frequent trade actions (e.g. unfair trade practice designations under the Section 301 of US trade law)? As the following graphs show, the correlation between the two variables is significant only when Japan is included (the first of the following two graphs).



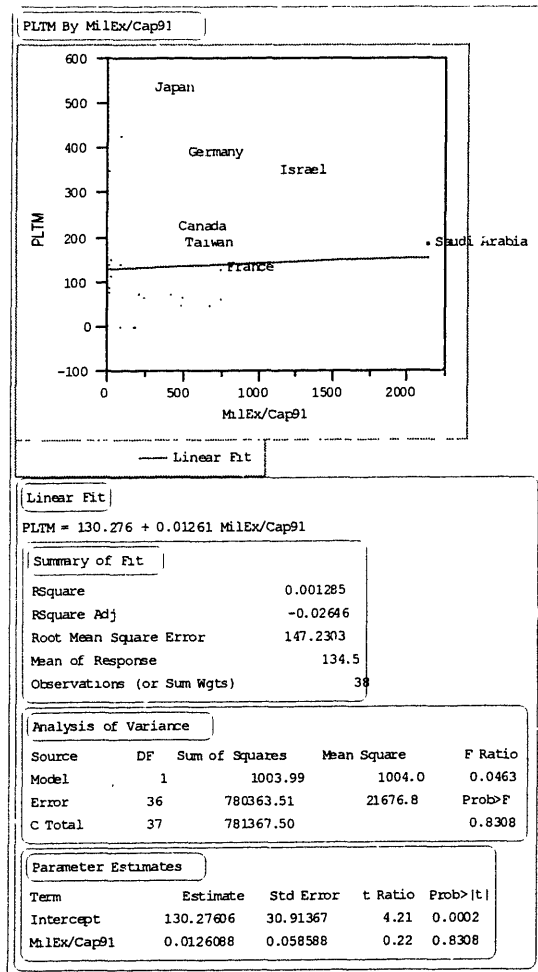
Appendix II. Other Measurements



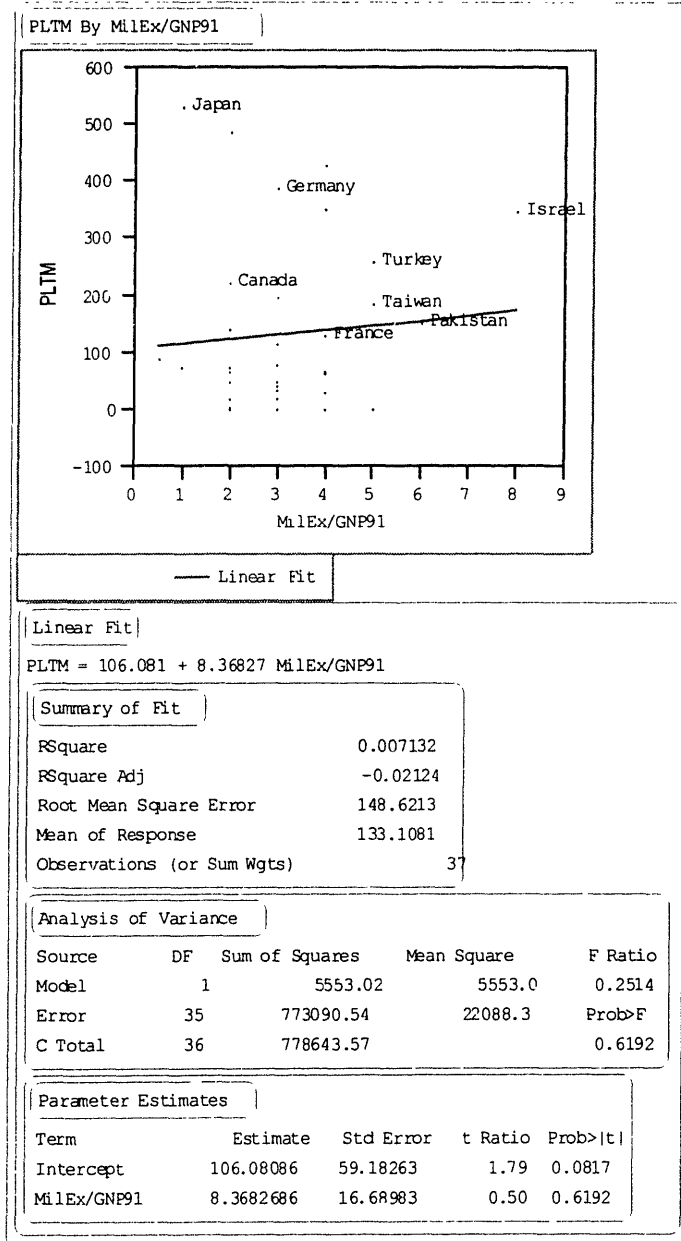
5. DOMESTIC MILITARY SPENDING AND POLITICAL LOBBYING IN THE US

The following data analysis produced two important findings. 1) Both of domestic military spending measurements, one per capita and the other per GNP, show significant correlation with political lobbying expenditure in the US measured in dollar terms (the graphs c and d). However that is not the case with time measurement (the graphs a and b). 2) The finding in 1) led me to check another set of correlation. I have found that the big military spender spend large amounts of money in small number of political lobbying cases, as the graph e) and f) show.

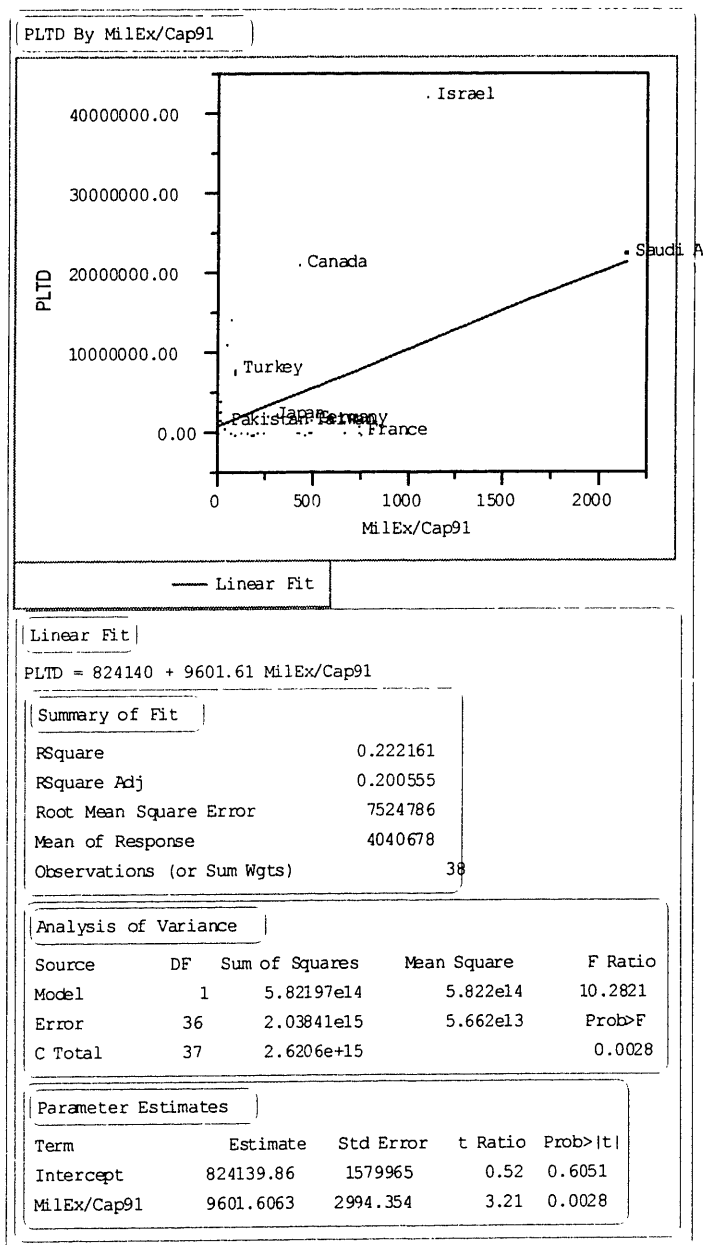
a) Military Spending per Capita and Political Lobby (months), excluding Kuwait



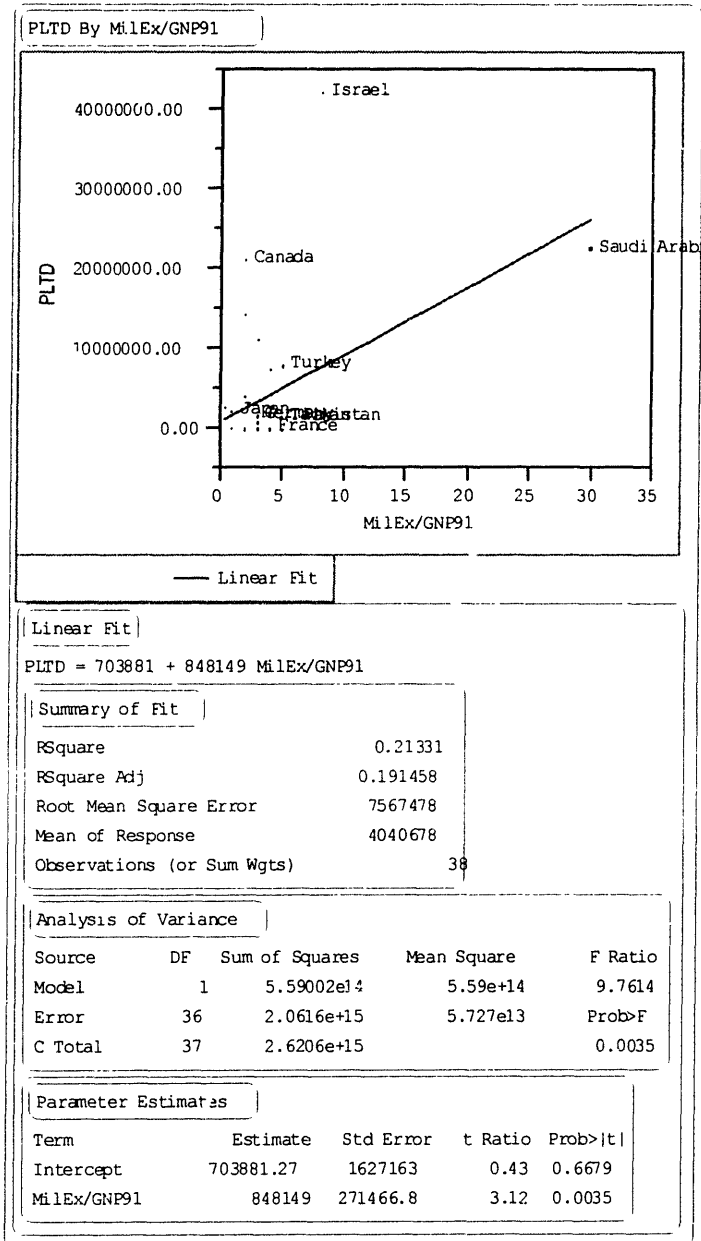
b) Military Spending per GNP and Political Lobby (months), excluding Kuwait and Saudi Arabia



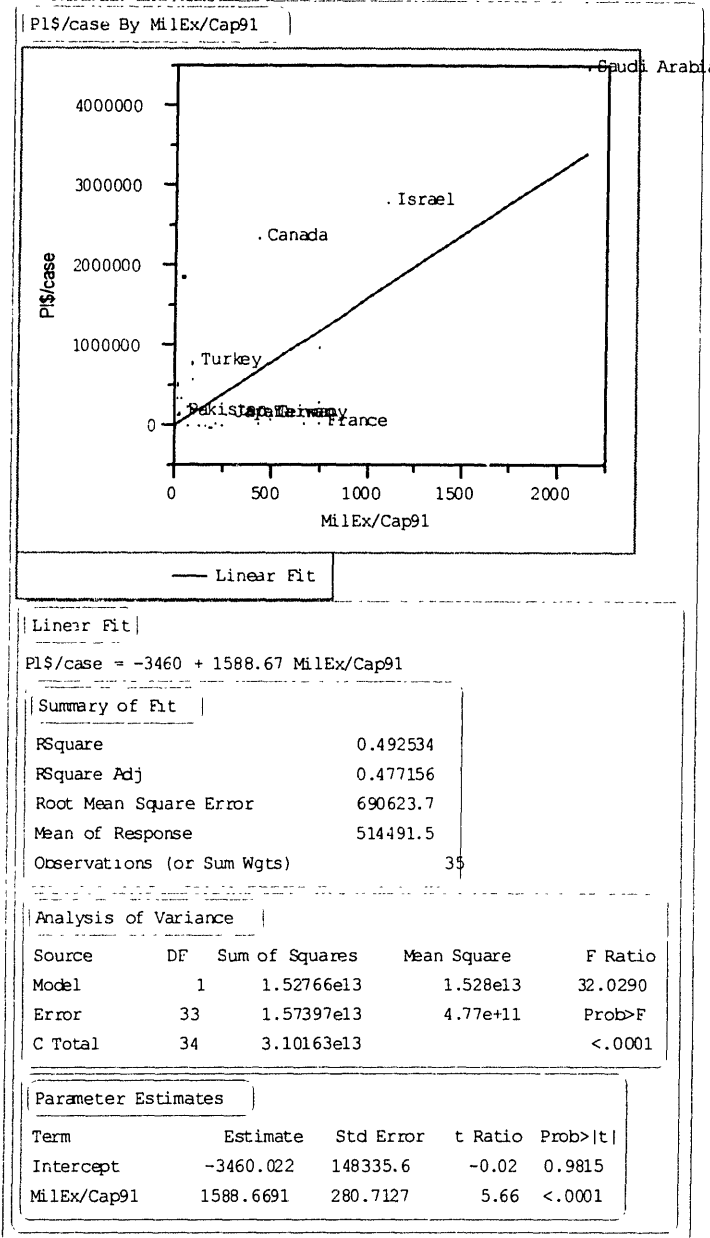
c) Military Spending per Capita and Political Lobby (\$), excluding Kuwait



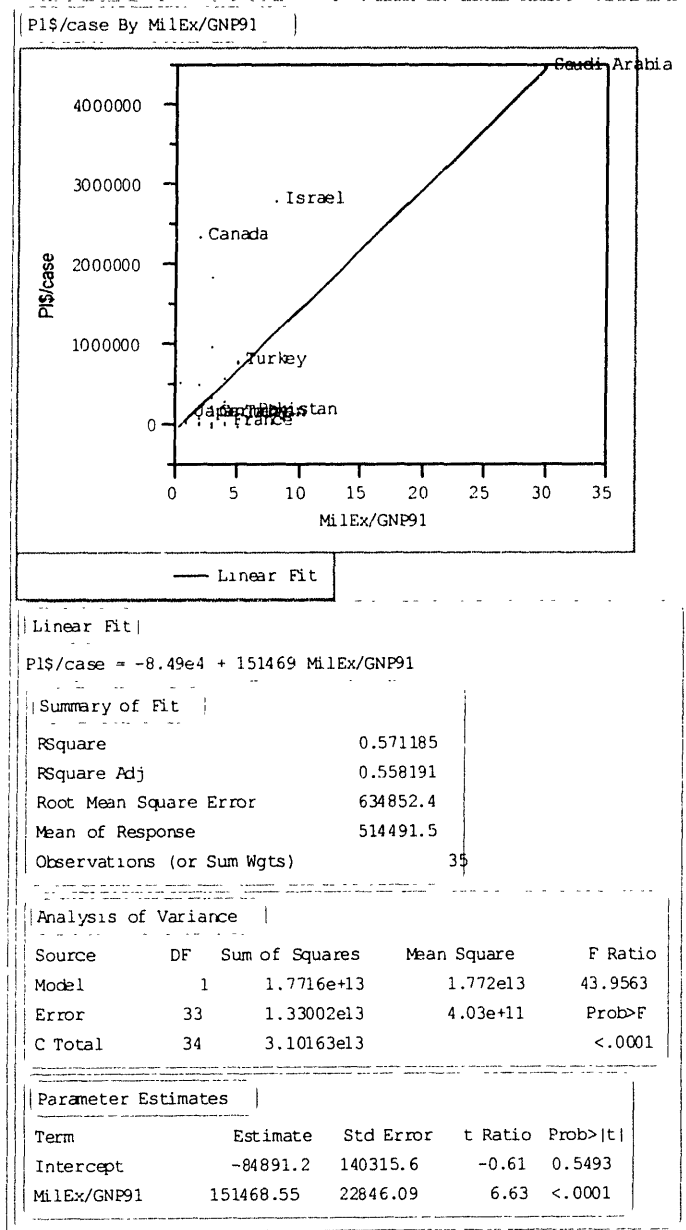
d) Military Spending per GNP and Political Lobby (\$), excluding Kuwait



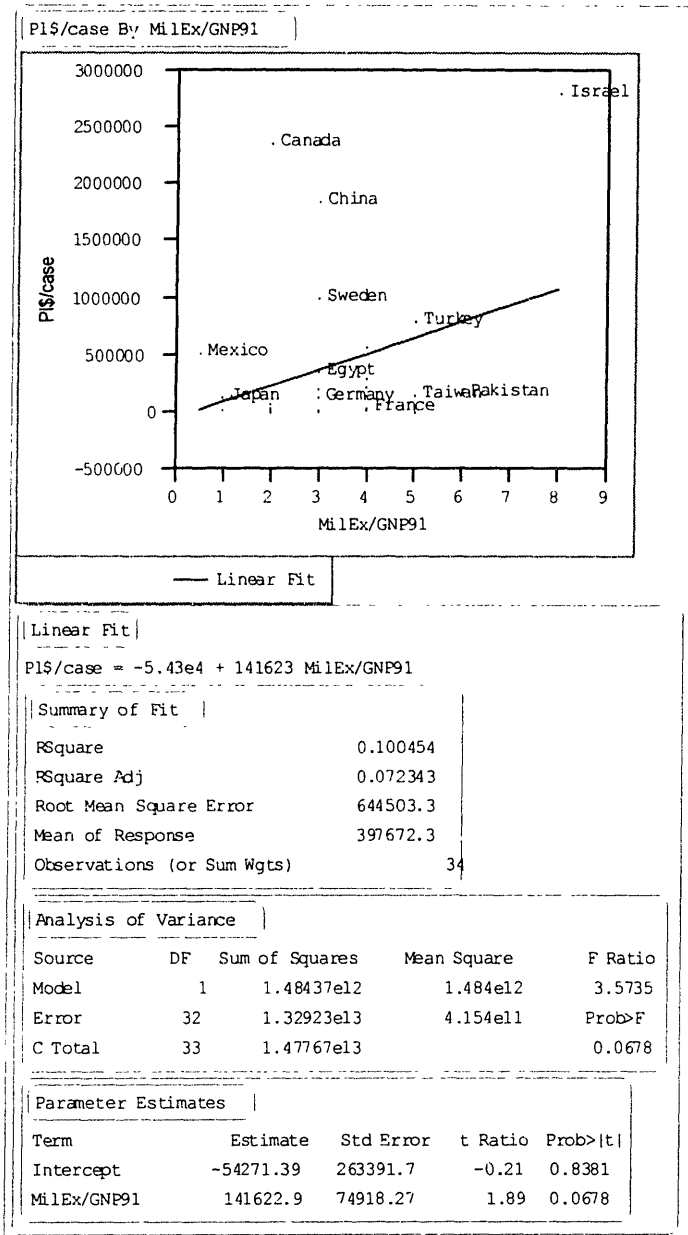
e) Military Spending per Capita and Political Lobby Spending per Case



f) Military Spending per GNP and Political Lobby Spending per Case



g) Military Spending per GNP and Political Lobby Spending per Case without Saudi Arabia



APPENDIX III: DEPENDENT VARIABLE MEASUREMENTS

See Chapter V. Section 2. for detailed description of the dependent variables

1. PATTERN VARIABLES

Dependent variables	LbTotCong/E x		AdvLbCong/Ex		AdvLb/InfCntLb
Sweden	2.00	Sweden	2.00	Angola	2.75
Chile	1.50	Switzerland	1.67	Egypt	1.33
Switzerland	1.50	Chile	1.50	Panama	1.15
Pakistan	1.33	Germany	1.33	El Salvador	1.00
Canada	1.21	Pakistan	1.33	Nicaragua	1.00
Costa Rica	1.00	Canada	1.30	Yugoslavia	1.00
El Salvador	1.00	Turkey	1.20	Italy	0.94
Finland	1.00	Australia	1.13	South Africa	0.91
Nicaragua	1.00	Philippines	1.10	Great Britain	0.83
Philippines	1.00	Costa Rica	1.00	Pakistan	0.83
Poland	1.00	El Salvador	1.00	Colombia	0.82
Romania	1.00	Finland	1.00	Philippines	0.82
Saudi Arabia	1.00	New Zealand	1.00	Honduras	0.80
Turkey	1.00	Nicaragua	1.00	Mexico	0.78
Taiwan	0.93	Poland	1.00	Netherlands	0.75
Germany	0.93	Romania	1.00	Kuwait	0.70
Australia	0.92	Saudi Arabia	1.00	Australia	0.63
Great Britain	0.86	Taiwan	1.00	Taiwan	0.61
Italy	0.81	Great Britain	0.94	Venezuela	0.60
South Africa	0.80	France	0.93	Hong Kong	0.56
Egypt	0.75	South Africa	0.89	Israel	0.56
Honduras	0.75	Hong Kong	0.88	Sweden	0.55
Hong Kong	0.73	Italy	0.86	Turkey	0.55
France	0.71	Japan	0.83	Finland	0.50
Japan	0.70	Egypt	0.75	Greece	0.50
Angola	0.67	Honduras	0.75	Indonesia	0.50
Thailand	0.67	Thailand	0.75	Ireland	0.50
Yugoslavia	0.67	Angola	0.67	Romania	0.50
Argentina	0.60	Argentina	0.67	Brazil	0.46
Mexico	0.56	Israel	0.63	Canada	0.44
Colombia	0.56	USSR	0.60	Thailand	0.44
Israel	0.56	Yugoslavia	0.60	Germany	0.43
Czechoslovakia	0.50	Colombia	0.57	Malaysia	0.40
Indonesia	0.50	Mexico	0.52	Saudi Arabia	0.40
Jamaica	0.50	Czechoslovakia	0.50	Chile	0.38
Jordan	0.50	Greece	0.50	France	0.36
New Zealand	0.50	Indonesia	0.50	Austria	0.33
USSR	0.50	Jamaica	0.50	Costa Rica	0.33
Venezuela	0.50	Jordan	0.50	Czechoslovakia	0.33
Panama	0.38	Malaysia	0.50	Switzerland	0.33
Malaysia	0.33	Spain	0.50	Jamaica	0.29
Netherlands	0.33	Venezuela	0.50	Japan	0.29
Spain	0.33	Panama	0.31	Argentina	0.25
Greece	0.25	Netherlands	0.27	Poland	0.25
Kuwait	0.25	Kuwait	0.25	Singapore	0.25
Korea	0.21	Brazil	0.17	USSR	0.23

Appendix III: Independent Variables

China	0.20	Korea	Ex Only - 6	Spain	0.22
Brazil	0.11	Austria	Ex Only - 1	New Zealand	0.20
Austria	0.00	Hungary	Ex Only - 1	Korea	0.17
Hungary	0.00	Ireland	Ex Only - 1	China	0.08
Ireland	0.00	Singapore	Ex Only - 1	India	InfCnt Only - 3
Singapore	0.00	India	CgOnly - 1	Jordan	Adv Only - 2
India	Ex Only - 1	China	N/A	Hungary	N/A

2. SIZE VARIABLES

dependent variables	TrdLbTot\$		TrdLbTotMth
Japan	207647380.79	Japan	7172
France	100213459.04	Canada	3124
Canada	53438425.69	Great Britain	2135
Great Britain	44851679.52	France	1448
Australia	31748533.38	Korea	1105
Hong Kong	24256770.99	Taiwan	998
Indonesia	20199392.56	Germany	854
Korea	19018476.53	Mexico	819
Germany	17833590.33	Italy	766
Netherlands	17242885.12	Australia	582
Austria	15907317.98	Israel	494
Mexico	14145675.19	Hong Kong	463
Taiwan	12018360.12	Netherlands	462
Italy	11528767.18	Colombia	428
Ireland	11280060.14	Switzerland	402
Venezuela	10258039.30	Sweden	317
Israel	7904623.91	Costa Rica	306
Saudi Arabia	7597748.23	Philippines	264
Colombia	5173865.22	Thailand	248
Sweden	4223842.92	Jamaica	240
New Zealand	3997559.45	Austria	216
Switzerland	3490459.81	Venezuela	215
Finland	2896991.97	Brazil	199
Philippines	2609566.58	South Africa	186
Chile	2366418.69	New Zealand	169
Jamaica	2234860.31	Finland	162
Brazil	1689502.54	Chile	149
Malaysia	1627323.23	Indonesia	144
Argentina	1556465.11	Malaysia	139
India	1473764.46	Spain	125
Spain	1440225.08	Argentina	113
Costa Rica	1248740.23	Singapore	108
Thailand	1158816.00	China	107
South Africa	1156271.66	Panama	102
Greece	1134858.32	Ireland	100
Honduras	987964.10	Honduras	90
Kuwait	863182.16	Saudi Arabia	88
Singapore	854426.58	Kuwait	85
Turkey	729899.28	India	78
China	486591.80	Turkey	72
USSR	482398.38	Czechoslovakia	66
Romania	387000.00	USSR	57

Appendix III: Independent Variables

Panama	276769.37	Greece	53
Pakistan	200005.50	Poland	43
Poland	148919.54	Pakistan	36
El Salvador	107949.10	El Salvador	28
Czechoslovakia	55589.38	Romania	23
Egypt	46327.28	Egypt	12
	PolLbTot\$		PolLbTotMth
Israel	42162543.45	Japan	533
Saudi Arabia	22431723.72	South Africa	427
Kuwait	21749483.97	Germany	387
Canada	21275338.08	Nicaragua	351
China	11149108.39	Israel	348
Turkey	8054309.85	Turkey	261
South Africa	7552572.77	Canada	222
Jamaica	6442254.20	China	196
Colombia	4573259.90	Saudi Arabia	186
Philippines	4189723.74	Taiwan	185
Korea	2811993.40	USSR	171
Nicaragua	2776657.77	Panama	161
Mexico	2647246.66	Pakistan	152
Japan	2272770.06	Colombia	144
Panama	1909582.16	Venezuela	143
Venezuela	1860959.67	Philippines	141
Great Britain	1845849.82	Jamaica	139
Egypt	1807757.49	France	132
Germany	1801054.23	El Salvador	116
Pakistan	1443273.29	Korea	113
Taiwan	1374192.88	Mexico	90
El Salvador	1352749.01	Kuwait	86
USSR	1163684.40	Hong Kong	84
Jordan	1161694.00	Egypt	80
Hong Kong	1077805.63	Austria	76
Sweden	996273.61	Italy	74
Thailand	729940.00	Jordan	72
Yugoslavia	575701.15	Yugoslavia	67
Greece	341098.43	Finland	66
Italy	256160.56	Spain	66
Chile	252000.50	Great Britain	64
Honduras	223949.30	Greece	57
Netherlands	216125.59	Angola	48
Spain	203181.77	Sweden	48
Angola	183934.72	Switzerland	48
Finland	176679.81	India	42
France	173969.08	Netherlands	37
Austria	92487.01	Chile	36
Romania	51500.00	New Zealand	36
Hungary	41811.25	Honduras	34
Switzerland	40690.86	Thailand	33
Australia	32750.00	Romania	30
India	21000.00	Australia	18
Indonesia	20000.00	Hungary	18
New Zealand	17222.77	Indonesia	6